

THE ANNALIST

A Magazine of Finance, Commerce and Economics

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Ten Cents



THE WORLD'S GOLD

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[No. 73.]
REPORT OF THE CONDITION OF
THE NATIONAL BANK OF COMMERCE IN NEW YORK,at New York, in the State of New York, at
the close of business September 12, 1914.

RESOURCES.	
Loans and discounts	\$103,959,579.67
Overdrafts, secured and unsecured	None
U. S. bonds to secure circulation	8,825,000.00
Other securities to secure circulation	27,266,166.62
Premiums on U. S. bonds	25,000.00
Real estate, securities, etc., other than stocks	13,462,339.61
Stock in Federal Reserve Bank, none, all other stocks	250,000.00
Banking house, furniture, and fixtures	2,500,000.00
Customers' liability under letters of credit	1,276,478.71
Due from national banks (not reserve agents)	4,287,744.74
Due from State and private banks and bankers, trust companies, and savings banks	1,321,400.00
Checks and other cash items	331,702.92
Exchanges for Clearing House	5,521,126.31
Notes of other national banks	698,000.00
Fractional paper currency, nickels, and cents	10,870.41
Lawful money reserve in bank, viz.:	
Specie	\$21,462,652.50
Legal tender notes	4,728,920.60
Clearing House account, net balance	26,196,972.50
Redemption fund with U. S. Treasurer	11,370,000.00
Due from U. S. Treasurer	42,000.00
Interest accrued	294,500.76
Total	\$208,217,890.25

LIABILITIES.	
Capital stock paid in	\$25,000,000.00
Surplus fund	10,000,000.00
Undivided profits, less expenses and taxes paid	6,692,822.97
Reserve for taxes	594,905.46
National bank notes outstanding	23,806,500.00
Accounts under letters of credit	1,276,478.71
Due to other national banks	\$27,149,188.69
Due to State and private banks and bankers, trust companies, and savings banks	35,801,290.10
Dividends unpaid	13,861.50
Individual deposits subject to check	72,305,547.92
Time certificates of deposit	3,142,170.31
Time certificates of deposit payable after 30 days or after notice of 30 days or longer	400,000.00
Certified checks	712,511.66
Cashier's checks outstanding	407,623.38
Unearned discounts	139,992,192.66
Total	\$208,217,890.25

State of New York, County of New York, ss.:
I, J. S. ALEXANDER, President of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.
J. S. ALEXANDER, President.
Subscribed and sworn to before me this 15th day of September, 1914.
E. H. CALLANAN,
Notary Public, Kings County.
Certificate filed in New York County, No. 47.
Correct—Attest:
H. H. THYER,
PAUL D. CHAYATH,
EDWARD J. BERWIND, } Directors.

[No. 9717.]
REPORT OF THE CONDITION OF
THE GOTHAM NATIONAL BANK,at New York, in the State of New York,
at the close of business September 12, 1914.

RESOURCES.	
Loans and discounts	\$1,561,350.03
Overdrafts, secured and unsecured	616.18
U. S. bonds to secure circulation	200,000.00
Other securities to secure circulation	248,176.25
Other bonds to secure U. S. deposits	\$10,000.00
Postals, \$27,000.00, to secure postal savings	127,000.00
Bonds, securities, etc., other than stocks	244,519.23
All other stocks	1,111.00
Banking house, furniture, and fixtures	38,453.14
Due from national banks (not reserve agents)	380,465.06
Due from State and private banks and bankers, trust companies, and savings banks	4,383.45
Checks and other cash items	10,993.00
Exchanges for Clearing House	120,118.24
Notes of other national banks	25,150.00
Fractional paper currency, nickels, and cents	1,485.58
Lawful money reserve in bank, viz.:	
Specie	\$470,946.55
Legal tender notes	\$5,930.60
Redemption fund with U. S. Treasurer (5% of circulation)	18,632.50
Total	\$3,519,039.21

LIABILITIES.	
Capital stock paid in	\$200,000.00
Surplus fund	100,000.00
Undivided profits, less expenses and taxes paid	54,634.98
Reserve for taxes	2,295.28
National banknotes outstanding	367,350.00
Due to other national banks	85,080.73
Due to State and private banks and bankers	7,905.20
Due to trust companies and savings banks	1,039.38
Individual deposits subject to check	2,354,658.88
Demand certificates of deposit payable after 30 days or after notice of 30 days or longer	105,704.71
Time certificates of deposit payable after 30 days or after notice of 30 days or longer	63,350.00
Certified checks	22,546.36
Cashier's checks outstanding	20,510.43
United States deposits	196,772.04
Postal savings deposits	20,000.00
Liabilities other than those stated above	1,120.92
Total	\$3,519,039.21

State of New York, County of New York, ss.:
I, THOMAS C. FRY, Cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.
THOMAS C. FRY, Cashier.
Subscribed and sworn to before me this 16th day of Sept., 1914.
(Signed) J. JOSEPH KIERAN,
Notary Public.
Correct—Attest:
H. H. RIZALLION,
(Signed) FREDERICK FOWLER, } Directors.
THOMAS KELLY.

[No. 1,461.]
REPORT OF THE CONDITION OF
THE NATIONAL CITY BANK OF NEW YORK,at New York, in the State of New York, at
the close of business September 12, 1914.

RESOURCES.	
Loans and discounts	\$158,061,848.55
U. S. bonds to secure circulation	3,212,750.00
U. S. bonds to secure circulation purchased with agreement to resell	1,000,000.00
Other securities to secure circulation	40,950,895.41
U. S. bonds loaned	2,985,500.00
Other than U. S. bonds loaned	200,001.86
U. S. bonds on hand	527,980.00
Premiums on U. S. bonds	13,849.56
Bonds, securities, etc., other than stocks	21,820,760.08
Securities purchased with agreement to resell	889,000.00
Customers' liability under letters of credit	6,398,172.63
Banking house, furniture, and fixtures	5,000,000.00
Due from national banks (not reserve agents)	5,640,751.43
Due from State banks and bankers	14,559,787.85
Checks and other cash items	702,738.72
Exchanges for Clearing House	7,377,922.39
Notes of other national banks	3,363,090.00
Fractional paper currency, nickels, and cents	823.11
Lawful money reserve in bank, viz.:	
Specie	\$47,126,571.05
Legal tender notes	3,820,000.00
Clearing House loan certificates of other banks	50,946,571.05
Redemption fund with U. S. Treasurer (5% of circulation)	13,430,000.00
Due from U. S. Treasurer	1,364,955.00
Total	\$338,701,277.64

LIABILITIES.	
Capital stock paid in	\$25,000,000.00
Surplus fund	25,000,000.00
Undivided profits, less expenses and taxes paid	9,645,872.25
National banknotes outstanding	16,418,000.00
Letters of credit	6,521,360.21
Due to other national banks	\$41,706,853.24
Due to State banks and bankers	40,361,226.61
Due to trust companies and savings banks	31,047,880.20
Dividends unpaid	1,540.00
Individual deposits subject to check	127,769,675.26
Demand certificates of deposit	2,545,644.33
Foreign currency	547,823.29
Certified checks	615,185.57
Cashier's checks outstanding	1,050,283.72
U. S. bonds borrowed without furnishing collateral security for same	245,646,062.22
Other bonds borrowed without furnishing collateral security for same	5,643,250.00
Bills payable, including obligations representing money borrowed	960,000.00
Reserved for taxes	341,992.19
Other liabilities	308,720.77
Securities borrowed without furnishing collateral security for same	1,534,500.00
Total	\$338,701,277.64

State of New York, County of New York, ss.:
I, G. EDWIN GREGORY, Cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.
G. EDWIN GREGORY, Cashier.
Subscribed and sworn to before me this 15th day of September, 1914.
EDWIN F. COREY,
Notary Public, N. Y. Co.
Correct—Attest:
JOHN W. STERLING,
M. TAYLOR PYLE,
HENRY A. C. TAYLOR, } Directors.

[No. 8,926.]
REPORT OF THE CONDITION OF THE
BRONX NATIONAL BANK,at New York City, in the State of New York,
at the close of business September 12, 1914.

RESOURCES.	
Loans and discounts	\$907,936.03
Overdrafts, secured and unsecured	837.28
U. S. bonds to secure circulation	50,000.00
Other bonds to secure U. S. deposits	7,673.75
Premiums on U. S. bonds	1,300.00
Bonds, securities, etc., other than stocks	166,878.90
Banking house, furniture, and fixtures	82,283.47
Other real estate owned	11,700.07
Due from national banks (not reserve agents)	125,744.56
Due from State and private banks and bankers, trust companies, and savings banks	70,165.28
Checks and other cash items	7,224.87
Exchanges for Clearing House	83,341.30
Notes of other national banks	8,750.00
Fractional paper currency, nickels, and cents	4,346.67
Lawful money reserve in bank, viz.:	
Specie	\$110,791.50
Legal tender notes	54,197.00
Redemption fund with U. S. Treasurer (5% of circulation)	164,888.50
Foreign exchange	29,308.04
Total	\$1,725,027.72

LIABILITIES.	
Capital stock paid in	\$200,000.00
Surplus fund	200,000.00
Undivided profits, less expenses and taxes paid	53,810.85
Reserve for taxes	3,152.16
National banknotes outstanding	47,800.00
Due to other national banks	69,407.90
Due to State and private banks and bankers	18,880.17
Due to trust companies and savings banks	30,345.06
Dividends unpaid	20.00
Individual deposits subject to check	1,040,432.54
Demand certificates of deposit	45,451.17
Cashier's checks outstanding	905.02
Postal savings deposits	5,272.83
Notes and bills rediscounted	4,500.00
Total	\$1,725,027.72

State of New York, County of Bronx, ss.:
I, F. A. WURZBACH, President of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.
F. A. WURZBACH, President.
Subscribed and sworn to before me this 16th day of September, 1914.
CHAS. A. WEBER, Notary Public,
Bronx County, N. Y.
Correct—Attest:
A. J. SHAMBERG,
R. J. MCGOWAN, } Directors.
CHARLES D. STEURER.

REPORT OF THE CONDITION OF
The American Exchange National Bank

in the State of New York, at the close of business September 12, 1914.

RESOURCES.		LIABILITIES.	
Loans and discounts	\$44,924,117.26	Capital stock paid in	\$5,000,000.00
Overdrafts, secured and unsecured	745.39	Surplus fund	3,000,000.00
U. S. bonds to secure circulation	4,123,000.00	Undivided profits, less expenses and taxes paid	1,970,899.78
Other securities to secure circulation	6,778,618.69	Reserved for taxes (balance to credit)	45,285.10
U. S. bonds to secure U. S. deposits	\$150,000.00	National bank notes outstanding	7,646,000.00
U. S. bonds to secure postal savings	550,000.00	Clearing House account, net balance	1,620,000.00
Other bonds to secure postal savings	700,000.00	Due to other national banks	\$12,982,967.11
U. S. bonds sold under agreement to repurchase	198,839.70	Due to State and private banks and bankers	5,287,606.91
Premiums on U. S. bonds	249,535.00	Due to trust companies and savings banks	7,191,639.15
Bonds, securities, etc., other than stocks	1,332,790.61	Dividends unpaid	2,960.50
Stocks	487,939.00	Individual deposits subject to check	31,176,332.24
Banking house	2,175,000.00	Demand certificates of deposit	532,032.93
Other real estate owned	425,592.54	Time certificates of deposit payable after 30 days or after notice of 30 days or longer	352,000.00
Due from national banks (not reserve agents)	\$3,698,583.69	Accepted checks	508,020.51
Due from State and private banks and bankers, trust companies, and savings banks	1,454,764.58	Cashier's checks outstanding	107,680.48
Checks and other cash items	15,180.57	United States deposits	58,141,839.83
Exchanges for Clearing House	2,555,705.36	Postal savings deposits	3,670.04
Notes of other national banks	425,000.00	U. S. bonds sold under agreement to repurchase	729,046.00
Fractional paper currency, nickels, and cents	2,169.84	N. Y. City bonds sold under agreement to repurchase	278,746.97
Lawful money reserve in bank, viz.:		Other bonds borrowed without furnishing collateral security for same	1,618,227.00
Specie	8,339,770.25	Letters of credit	150,071.09
Legal tender notes	1,579,000.00		
Redemption fund with U. S. Treasurer (5% of circulation)	18,070,203.69	Total	\$81,113,836.27
Cash and reserves	387,381.50		
Customers' liability under letters of credit	150,071.99		
Total	\$81,113,836.27		

State of New York, County of New York, ss.:
I, ARTHUR P. LEE, Cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.
ARTHUR P. LEE, Cashier.
Subscribed and sworn to before me this 16th day of September 1914.
Alphonse Oscar, Notary Public,
Kings County, 42.
Certificate filed in New York County, 25.
Correct—Attest:
WILLIAM M. BARRETT,
EDWARD C. PLATT,
LEWIS L. CLARKE, } Directors.

NEW NETHERLAND BANK OF NEW YORK.

41 West 34th St., Sept. 12, 1914.

RESOURCES.	
Loans and Discounts	\$3,178,923.76
Overdrafts	899.59
Furniture and equipment	5,062.17
Stocks, bonds, real estate, and mortgages	584,803.85
Due from other banks	203,147.08
Cash and reserves	749,690.01
Accrued interest	3,259.65
Total	\$4,716,734.50

LIABILITIES.	
Capital stock	\$200,000.00
Surplus	250,000.00
Profits	55,741.00
Deposits, etc.	4,210,993.50
Total	\$4,716,734.50

OFFICERS.
J. ADAMS BROWN, President.
JOHN F. MUNN, M. D., Vice President.
UDOM M. FLEISCHMANN, Vice President.
CURTIS J. HEARD, Cashier.
H. I. STEVENS, Assistant Cashier.

HUDSON TRUST COMPANY,

Broadway and 39th St.

RESOURCES.	
Loans, demand and time	\$2,129,267.74
Stocks, bonds and mortgages	1,389,158.25
Cash on hand and in banks	1,013,362.92
Real estate and other security	132,317.55
Total	\$4,664,206.46

LIABILITIES.	
Capital stock	\$500,000.00
Surplus and undivided profit	682,046.31
Deposits	3,279,000.28
Other liabilities	203,159.87
Total	\$4,664,206.46

OFFICERS.
ELVERTON R. CHAPMAN, President.
LOUIS H. HOLLOWAY, Vice Pres.
HENRY C. STRAHMANN, V. P. & Treas.
JOHN GERKEN, Vice Pres.
RICHARD A. PURDY, Secretary.

COAL & IRON NATIONAL BANK

New York City, June 12.

RESOURCES.	
Loans and Investments	\$4,878,234.89
Due from banks	632,787.28
Cash and reserve	2,397,633.83
United States and other bonds	2,562,043.42
Total	\$10,310,098.92

LIABILITIES.	
Capital Stock	\$1,000,000.00
Surplus and profits	613,106.79
Circulation	850,147.50
Deposits	7,846,844.63
Total	\$10,310,098.92

OFFICERS.
JOHN T. SPROULL, President.
DAVID TAYLOR, Vice President.
ALLISON DODD, Vice President.
ADDISON H. DAY, Cashier.
H. J. DORGELOH, Asst. Cashier.

TRANSATLANTIC TRUST CO.

New York, September 19, 1914.

RESOURCES.	
Loans, demand and time	\$1,093,742.64
Stocks, bonds and mortgages	1,718,296.77
Cash on hand and in banks	1,158,089.54
Real estate and other security	16,420.91
Total	\$3,987,149.86

LIABILITIES.	
Capital stock	\$700,000.00
Surplus and undivided profit	391,301.50
Deposits	2,996,196.13
Other liabilities	19,652.23
Total	\$3,987,149.86

OFFICERS.
JULIUS FIRNITZER, President.
H. B. FONDA, Vice President.
H. L. SERVOS, Secretary.
GEO. FLOCHMANN, Treasurer.
E. S. CUBBERLEY, Asst. Treasurer.

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NEW YORK, MONDAY, DECEMBER 21, 1914

IMPROVEMENT has ceased to be merely negative and has become positive. For a time after the shock of the news of war had been met the mere absence of fresh complications represented improvement in the situation. It is no longer necessary to apply that designation to the mere absence of unfavorable developments. Actual progress toward normal conditions is being made. Here in New York as well as in London the problem of reopening the Stock Exchange is being found harder of solution than the problems with which the money market had to contend, but preliminary steps are being taken toward the resumption of trading in securities, and meanwhile very marked improvement has occurred in foreign exchange, one of the highly important phases of the money market.

TRADE as well as finance has shown recovery from the worst effect of the first weeks of war, but it is being made abundantly plain that the rapid strides in trade which some had hoped for as a result of Europe's sad plight are not to be attained except as the result of industrious and continued effort. Prosperity cannot fall into the lap of this country out of the arms of distracted Europe. Having met the shock of the awful news of war, we will move gradually forward, but the mere regaining of what we have already lost by the war will call for time and effort. It is well that this should be recognized. There is no reason for discouragement in this fact. The sensible man of business does not expect results except in proportion to the effort exerted. We cannot expect trade on any large scale to seek us out; we must seek it. That means work and perseverance, but no success worth while is ever attained without them. Times like these call for increased, not for diminished, effort. The effects of the war call for the development here at home of opportunities which have not existed or which have been neglected in the past, but that calls for work. South America is a promising field for our foreign trade, but that field must be cultivated if we expect it to bear fruit for us. We must not assume that the path which lies before us is easier than it really is, lest we be disappointed without reason.

IT is unfortunate that the Interstate Commerce Commission felt it necessary to put over until Oct. 19 the hearing of the renewed application of the railroads for an increase in freight rates. The petition of railroads for a rehearing was granted on Saturday, and a delay of a week or ten days would appear to be sufficient for the taking of testimony in a case of this kind, which is merely the continuation of a long pending

case in which a modified decision is sought on the basis of a new set of facts which were not before the commission when it rendered its recent decision. The commission was very wise in limiting the testimony in the reopened case to the new facts. That should avoid any prolonged discussion. The presentation of the "new evidence" will be a relatively simple matter.

THE effects of the war have increased the railroads' need of an increase in freight rates, and they have also increased the interest of the country at large in a favorable response to the appeal of the roads. There can be no doubt that an advance in rates at this time would increase the confidence of European investors in our securities, and that in turn would lessen the desire of those investors to dispose of their holdings of American railway securities. Strengthening the position of our railroads and proceeding promptly with the settlement of our obligations to Europe would probably have the effect of limiting the foreign selling of our stocks when trading is resumed here to the selling prompted by the necessities of the holders unaugmented by selling due to misgivings regarding the safety of investments in American securities.

IT is desirable to limit prospective foreign selling of our securities as much as possible, for the chance of heavy liquidation from abroad presents one of the biggest problems connected with the reopening of the security market here. It is not solely a question of our own ability to absorb stocks which Europe might want to sell. What Europe will sell in the near future it will sell to realize money, and the only possible way in which we could pay for any very great quantity of securities would be by the establishment of a trade credit balance great enough to cover Europe's sale of our stocks and bonds. Great as are our gold holdings, ample as they are to fill all our home requirements, and besides that to meet all our maturing obligations to foreign markets, they amount at best to not more than half, probably to not more than one-third, of Europe's holdings of our securities. Plainly we could not pay for any great quantity of them in gold, but we are not likely to be called upon to do so if we do what we easily can do to maintain the credit of our securities abroad.

SO deep rooted is the belief that any problem which a crisis such as that through which we have passed gives rise to can be solved by the issuance of more currency that we find repeated demands being made for more and more currency, although there is already an abundance of currency. Credit, it is true, needs to be rendered freer, but that cannot be accomplished soundly by the issuance of more bank notes. It could be accomplished to the extent to which it would be desirable by taking out of hand to hand circulation the large amount of gold which is now used as pocket and till money. If that were done not only would reserve money be obtained to serve as the support of additional credit, but it would become increasingly easy for us to settle the debts which we have abroad.

THAT could be done very easily, although perhaps not very speedily. Gold certificates are now issued in denominations as low as \$10. In that form much gold is carried around in pockets or lies unmobilized in tills. Let steps be retraced in this matter and instead of putting out gold certificates in still smaller denominations, as Washington some time ago proposed, let

the issuance of gold certificates in smaller denominations than \$1,000 be discontinued and let all smaller certificates gradually be withdrawn. The effect of that would be to bring all these gold certificates into bank reserves, and under the working of the Federal Reserve Bank system to substitute bank notes for them. That would put all this gold where it could be used in any emergency that might arise. It would make it possible to maintain still larger reserves against the note issues of reserve banks than are now contemplated, and that without in any way putting a check on the present volume of bank credits. The mere fact that this change could be brought about only slowly is no reason why it should not be undertaken.

THE Federal Reserve Board last week gave its approval to the proposed creation of a country-wide gold fund for the settlement of our debts abroad. The gold fund previously provided by the syndicate of New York banks to care for the city's obligations on the other side paved the way for this larger transaction. The plan is well conceived for a purpose which it is most desirable to attain, and it should receive the hearty support of the banks here as well as throughout the country. The success of the proposal undoubtedly depends upon its receiving the support of the banks in the central reserve and larger reserve cities. Their participation in it should be assured without delay. It is time that the country should be rid of the inconvenience as well as the discredit attaching to the high rates which have had to be paid for all remittances to foreign markets.

NEW YORK'S share in the fund will naturally be the largest. It is likely in fact to amount to something like \$45,000,000 out of the hundred and two or three millions which it is proposed to raise for this purpose. The pledge of any such sum by the banks of this city should make it impossible for any other city to hold back its much smaller share, and in the same sense the pledge by other cities of their share should make it doubly certain that the banks here will not hesitate to undertake the larger share of the work which falls to them. The efforts of any in this matter should encourage all the others.

THERE are two ways of making public income and public expenditures balance, by cutting down expenditures or by increasing taxation. The latter is the popular way with law makers. The former is the sounder way, and that it could be done that way is shown by the successful attack which was made in the Senate last week on the Rivers and Harbors bill. It carried in its original formation appropriations amounting to \$53,000,000. As revised it will carry perhaps not more than a quarter of that sum. That shows how the thing could be done if it were done as it ought to be done. The stamp taxes proposed as part of the "war taxes" are to run for a little over a year. The balance of the special taxes are to run until repealed. They will be harder to get rid of.

THE "buy-a-bale-of-cotton" idea was too happy a thought to confine to any one staple, even to the "money-making" staple of cotton. So we hear of a "buy-a-barrel-of-apples" movement, and it is to be expected that in due course generously disposed individuals will be asked to buy a bale of tobacco, or a package of resin, or a ton of pig iron, or a keg of nails. There is no limit to the good that could be done by everybody buying a package of something!

Relevant Annotations

By The Onlooker

ISN'T it in sordid bad taste for us to be speculating so enthusiastically on the trade to be gained, or grabbed, at the expense of the countries engaged in war? Isn't the whole world a little mad about trade for its own sake? Before the war was a week old the English papers began to carry statistical calculations of the amount of world trade that could be taken away from Germany, and Germans pointed to it, saying, "You see what the English motive was." No Englishman would admit that the bitterness of trade rivalry had contributed anything to his determination to engage in the war, and yet, he might say that as the war had started, the thing to do was to make the most of it. The Germans, ascribing the commercial motive, would repudiate the suggestion that there was an ounce of commercialism in the wonderful patriotism of the Kaiser's people, and yet, in years to come, it will be written that the basic causes of this war, as of so many others, were economic. A newspaper correspondent naively writes from Rome: "Resolutions have been passed urging the Government to take action [to take sides] lest they lose the chance of extending the national boundaries." That is to say, lest they lose the opportunity to grab something for themselves. Why do we all make believe to despise the material advantage, and to be actuated solely by ideals, when the passion for advantage will show through so invariably? It is even in worse taste, one may think, for this country, already the most prosperous in the world, to be boasting of its intention to gain a greater prosperity at the expense of countries under the delusion that they fight ideally for racial existence. The notion of seizing the South American trade is rising to the plane of a popular fad, and is likely, for that reason to become absurd. It is not a trade that can be seized at all. It is one that may be cultivated; but, after the war is over, the European countries will be more formidable as competitors than they were before, in proportion as their necessities are greater. Just to supply the needs of countries whose sources in Europe have been stopped is a laudable undertaking, and if it is done efficiently and in a spirit of fairness, it will pay in the end, because some of the customers will stick, but to attempt to seize the trade of a continent whole and ready made, besides being not feasible, might in the end react upon us.

THERE is a mass of literature, suddenly invented, telling merchants how to make and ship the goods that are wanted in the South American trade. There is no way suggested of supplying the capital which South America needs even more than she needs goods and which hitherto she has obtained almost exclusively in Europe.

WE are a people to talk nonsense without thinking it and to propose reckless things without the remotest notions that they will ever be adopted. Or is it merely that we have a national trick of thinking out loud? A man may save himself the intellectual trouble of being logical, or of reasoning carefully to a conclusion. He has an emotional inspiration, on the instant he sets it forth as the great solution of something or other, and then everybody begins to jump on it. When he sees its weakness he is good humored. He grins and discards his inspiration, and waits for

another. Surely that is the explanation of the absurdity of proposing that every man, woman, and child in the United States should buy a bale of cotton. Everybody knows that the war in Europe has hurt the market for cotton, as it has hurt so many other things, and, of course, everybody wishes it hadn't, and is sorry for the South. Then somebody thinks of a solution—the simplest thing ever. What is a better investment than cotton? It doesn't spoil. In normal times there is always a market for it. The Government, in fact, is willing to issue money against it up to 80 per cent. of its value. The poor planter is presumably expected to take care of the other 20 per cent., whereas, if he could sell his whole crop at 100 per cent. he would be extremely happy—while the price holds at about 12 cents. So, then, somebody asks why everybody else shouldn't buy a little cotton and hold it for investment. Instantly the idea takes root and grows like a chain prayer. Let the people put their savings in King Cotton. They can keep the cotton in their coal sheds, in their cellars, or, for that matter, in their parlors. They would have tangible value for their money, they would be helping the South, and they might make money, for the price of cotton could conceivably rise. It was reported last week that several business concerns, doing business in the South and seeking to do more, had instructed their Southern agents each to buy a bale or two of cotton. Possibly they will charge it up to advertising or good will.

A free and untroubled imagination may find the idea vastly alluring in its ramifications. If the cotton crop were merchandised in that way, a bale or two or three to each patriotic family in the United States, the hauling of it about the country would be a great waste, of course, but it would make business for the railroads.

PEOPLE are complaining that although the Government has issued over \$250,000,000 of emergency currency, money is not cheap. They point to the fact that interest rates in this country are 2 or 3 per cent. higher than the published discount rate of the Bank of England. That is thought to be very damaging to the American banker, who is 3,000 miles from the war, and yet charges more for credit than is charged by the Bank of England. Lastly, they ask, as if grievously disappointed, what emergency currency is for? Then they answer themselves. Nobody knows what it is for but the bankers, who will not tell, and go on charging too much for money.

In the first place, a comparison of interest rates in this country with those quoted by the Bank of England is preposterous. The Bank of England's rate is nominal; it does not represent the price of credit. The country, like all the others in Europe, has adopted a moratorium; postponing the payment of obligations, so that credit is needed only for special purposes, and in nothing like normal quantities. This country has not adopted a moratorium. It has no way of doing such a thing. It is paying its debts as they mature, and paying them to Europe, even in gold, though Europe does not pay hers. The marvel is not that commercial paper has to be discounted at 7 or 8 per cent., but that this country has been able to go on paying at all, with all the Old World refusing to do so.

Secondly, emergency currency is not to lower the rate of interest. If it were issued for that purpose the end would defeat itself, for never in the economic history of the world was the rate of interest lowered by increasing the supply of money. The effect, indeed, is the converse of that. Increasing the supply of money tends to increase the rate of interest, for the very simple reason that when the purchasing power of money is in danger of being depreciated by an increasing supply, the lender must charge, besides interest, something more to reimburse him for the decline that will take place in the purchasing power of a dollar while it is in the hands of the borrower.

Thirdly, a banker to whom the Government issues emergency currency, does not lend that currency. He lends credit. The emergency currency is merely to put in his hands the means to pay out money on credit extended, in the case where the borrower must have the money itself, as for payrolls, &c. Now, credit is something in which the banker takes a risk, and probably more risk when emergency currency has to be issued than at any other time. Suppose he grants a merchant a credit of \$100,000, and the merchant, needing the money itself, instead of checking against his credit asks for currency, and receives it. Then suppose the merchant fails. The bank does not get the money back. It may lose it. The notes the merchant gave as security may not be good. When a banker sells credit at 7 or 8 per cent. he is not selling emergency currency. That is but a convenience, enabling him to give the borrower something he can spend. The banker is still responsible for the credit—to his Directors, to his depositors, and to all the other borrowers.

NEW YORK CITY'S rakish progress as a borrower of capital has mercifully been checked, and it was high time, else in five or ten years more investors would have begun to look askance at its credit. The sale of revenue warrants, to anticipate tax collections, was in any case a dubious expedient, and as a growing practice it was financial madness. What would you think of a man who every Thursday went about borrowing against the pay envelope he should receive on Saturday, paying interest for the accommodation, and getting so deep into the habit that he not only could never carry himself through the week without borrowing, but was obliged to borrow in progressive amounts? How would you rate his credit? Well, that was what New York City has been doing, and at last, it found itself with \$80,000,000 of revenue warrants coming due in Europe, no market in Wall Street for new securities, and no way to pay its debts. For it to have defaulted upon its warrants would have been a financial calamity. It would have impaired the credit of the largest American city, whose outstanding indebtedness is as great as that of the United States Government's. In this dilemma it appealed first to the Government and then to Wall Street, and Wall Street at length agreed to take \$100,000,000 of new securities at 6 per cent., provided the city would change its financial habits. This the city has agreed to do, greatly to the disgust of those who think bankers are always trying to gouge their borrowers, especially when the borrowers' needs are imperative. But nothing more fortunate could have happened, and if the city's change of habits is permanent, its credit will be better for all time to come.

Onlooker

The World's Gold and Our Share of It

ANY marshaling of the gold resources of the world brings into striking relief the pre-eminent position of the United States as a gold-holding country. No other country even closely approaches the United States in the amount of gold held.

That being so, there is something anomalous in the fact that gold has been at an exchange premium in the United States for many weeks. It has been, but that premium is rapidly disappearing. It promises to vanish altogether under the influence of the \$100,000,000 gold pool which it is proposed to raise under the auspices of the Federal Reserve Board for the purpose of restoring normal conditions in the foreign exchange market.

There has been no scarcity of money in the United States. There has even been no scarcity of gold in circulation, but a moral embargo was put on the export of gold and the effect of that was for a long time to keep gold, so far as its use in international transactions was concerned, at a premium. Ignoring in this connection the fabulous prices which were paid for foreign exchange in the first few days after the outbreak of war, the exchange market until this past week ruled at figures which represented a premium of from 2 to 3 per cent. on gold. That condition is happily coming to an end.

OUR ABILITY TO PAY

The course of trade between other countries and this in recent weeks does not of itself suffice to account for the radical change which is coming about in the exchange market. Nor has there been any change in the ability of this country to supply gold for the settlement of our obligations on the other side. That ability has always been great, but it was felt that we could not afford to let any gold go, many felt that we could not afford to let it go even to pay what we immediately owe to Europe.

The attitude has now changed on that point. The very few bankers who argued from the beginning that the payment of what we owe on the other side in gold if needed was the only honorable and in the end the only profitable course to pursue have won their contention. There is now practical agreement that we cannot afford to withhold gold if gold is needed to meet actual obligations to other markets. We are not under any obligation to buy back our securities from Europe except at our own prices, but we are called upon to pay our debts. That is elemental.

The plan adopted for the financing of New York City and for the

By Holding Back Shipments We Put Gold for Export at a Premium, Though Our Supply Outrivalled All Others—Now We Are Letting It Go

payment of its debt to Europe put this new conception of the matter in practical form. The banking institutions of New York City banded together to supply the city with the funds which it needed, and bound themselves to supply, if necessary, gold to the full amount of the city's foreign obligations. That transaction in itself was enough to put a vastly more favorable aspect on the exchange situation. Followed as this was by a renewal of the proposal to raise a country-wide gold fund to supply the general needs of the exchange market, there was given promise of the complete breaking of the deadlock in which the exchanges between this and other countries, notably England, were held.

The way seems thus to have been opened to the restoration of an approximately nor-

mal condition in the exchanges between this and other countries. If the expectations of some bankers are borne out the exchanges will in due course swing sharply in the opposite direction and drop below the normal level, balancing in the long run the excessive rise above normal which resulted from the disorganization caused by the war. But that is speculative. Fundamentally the rise in exchange here, or so much at least of the rise as was left after the first shock of the war news had been felt, was due to the fact that we are still a debtor country.

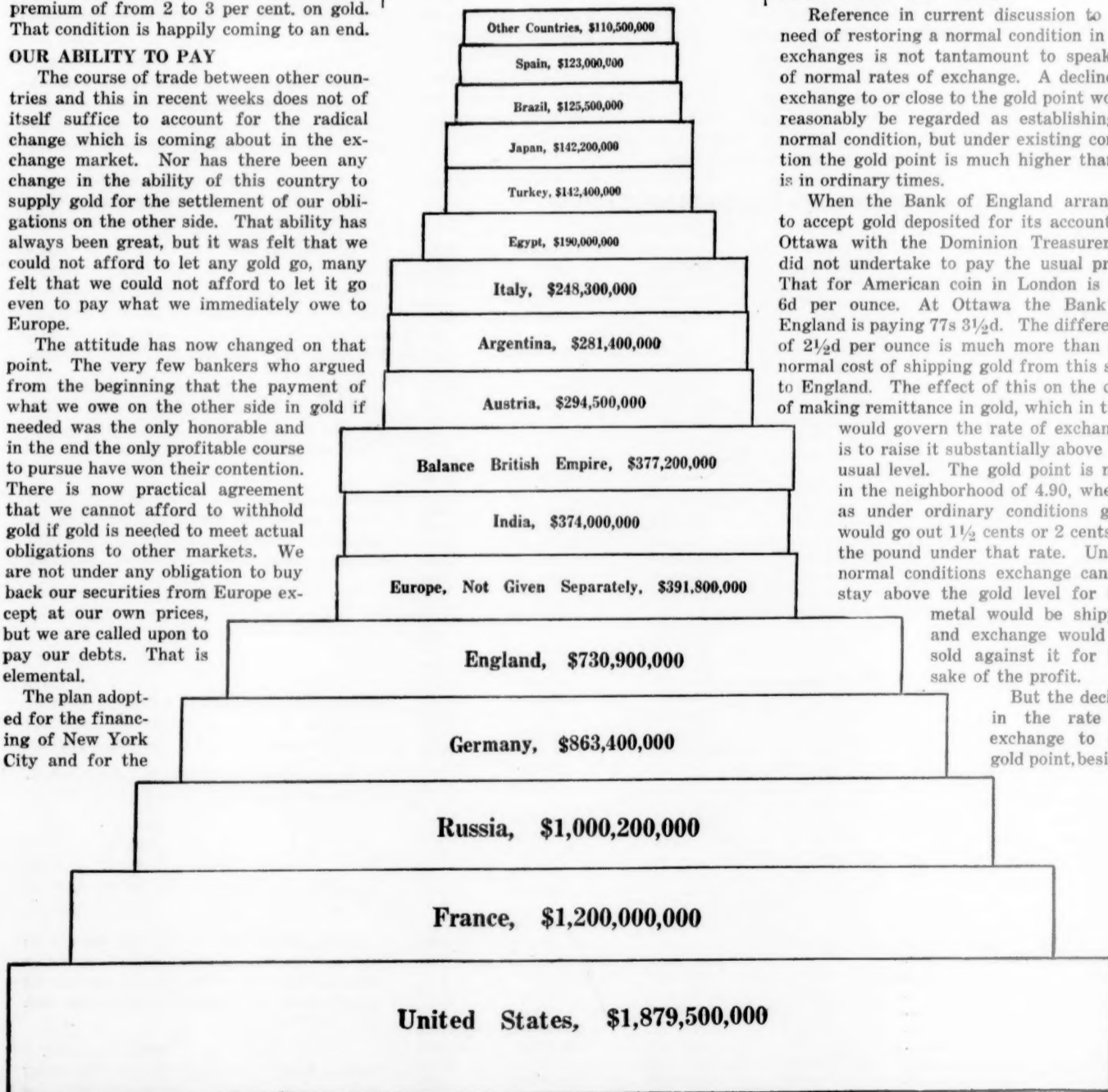
Europe was in a position to call upon this market for very large payments, and as resort was had to a refusal to pay out gold for export, many payments which would in the ordinary course have been made were not made at all, and others were made only at very high cost in exchange. The refusal to let gold go for export was resorted to by this market for self-protection, but the truer self-protection, it has since come to be recognized, lies in maintaining our credit unimpaired by parting with enough gold to keep the exchanges in good working order.

GOLD POINT NOW HIGH

Reference in current discussion to the need of restoring a normal condition in the exchanges is not tantamount to speaking of normal rates of exchange. A decline in exchange to or close to the gold point would reasonably be regarded as establishing a normal condition, but under existing condition the gold point is much higher than it is in ordinary times.

When the Bank of England arranged to accept gold deposited for its account at Ottawa with the Dominion Treasurer it did not undertake to pay the usual price. That for American coin in London is 77s 6d per ounce. At Ottawa the Bank of England is paying 77s 3½d. The difference of 2½d per ounce is much more than the normal cost of shipping gold from this side to England. The effect of this on the cost of making remittance in gold, which in turn would govern the rate of exchange, is to raise it substantially above the usual level. The gold point is now in the neighborhood of 4.90, whereas under ordinary conditions gold would go out 1½ cents or 2 cents to the pound under that rate. Under normal conditions exchange cannot stay above the gold level for the metal would be shipped and exchange would be sold against it for the sake of the profit.

But the decline in the rate of exchange to the gold point, besides



How World's Gold Holdings of \$8,480,000,000 Are Divided

making it very much less costly for those who have debts on the other side to meet their obligations, would relieve this market of the discredit which attaches to a refusal to meet obligations promptly in funds acceptable to our creditors. The advances made to this country in banking credits and investments made by Europe in our securities were made in no small measure upon the faith of the firm establishment of this country's monetary system upon the gold basis. We had long boasted, too, of this market being the freest gold market of all. Rather belatedly, so far as this present test is concerned, we are now beginning to live up to that reputation. The standing of our obligations abroad has suffered to some extent by the barriers which have been set up against gold exports since the war broke out. The steps which we are taking should repair that damage. We are adopting this wiser course none too soon.

Fortunately the gold standard in this country rests on no mere declaration of monetary policy which would mean much less than it does mean with us if we had to strain greatly to maintain it. The act of March 14, 1900, rounding out the many preparatory acts which went ahead of it, set the monetary policy of this country squarely on a gold basis, but the ability to maintain that policy is guaranteed by the possession of the greatest gold fund held by any country of the world. The accompanying chart, which shows the monetary gold holdings of the gold standard countries in reference to their relative amounts, brings out clearly the enviable position of strength occupied by the United States. We can afford to use gold freely to pay

our debts. In the long run no better investment of part of our gold supply could be made.

The Director of the Mint includes in his annual report a statement of the gold holdings of the world by countries. His last report gives these figures as of Dec. 31, 1912, the compilation of the figures being subject to many delays. Since then there have been important changes in the gold holdings of some of the European countries, notably France, Germany, and Russia, but these have hardly changed their relative positions; certainly they have not encroached importantly on the pre-eminent position held by the United States. In this country, despite the large exports of gold to Europe, no great net change has been made in the amount of our gold holdings since the close of 1912. They stood then at \$1,879,500,000. The monthly statement of the Treasury Department placed the gold holdings in this country on Sept. 1 at \$1,844,602,682.

Two thinly populated countries, Argentina and Australia, have per capita supplies of gold largely in excess of that of any other country. They stand respectively at \$39.08 and \$36.28, compared with \$30.30 for France, \$20.52 for Canada, and \$19.48 for the United States. The English per capita stock of gold is \$16.10, and the German \$13.30. Russia, which stands third in the amount of gold held, has a per capita stock of only \$5.98. Brazil and Uruguay are the only South American countries in addition to Argentina which have a large supply of gold either in the aggregate or per capita.

We give the Director of the Mint's figures in detail:

Where the World's Stock of Gold Is Held

Countries.	In Banks and Public Treasuries.	In Circulation.	Total.	Per Capita.
United States	\$1,494,500,000	\$385,000,000	\$1,879,500,000	\$19.48
Austria-Hungary	245,900,000	48,600,000	294,500,000	5.96
Belgium	41,400,000	20,000,000	61,400,000	8.18
British Empire:				
Australia	152,900,000	14,000,000	166,900,000	36.28
Canada	137,800,000	10,000,000	147,800,000	20.52
United Kingdom	395,100,000	335,800,000	730,900,000	16.10
India	124,000,000	250,000,000	374,000,000	1.53
South Africa	42,600,000	15,000,000	57,600,000	9.60
Straits Settlement	4,900,000		4,900,000	2.45
Bulgaria	9,800,000		9,800,000	2.23
Cuba			30,000,000	13.63
Denmark	21,400,000		21,400,000	7.92
Egypt	8,800,000	181,200,000	190,000,000	16.81
Finland	6,900,000	3,700,000	10,600,000	3.42
France	619,600,000	581,000,000	1,200,600,000	30.30
Germany	213,400,000	650,000,000	863,400,000	13.30
Greece	3,000,000	2,000,000	5,000,000	1.92
Haiti	1,300,000	2,100,000	3,400,000	1.70
Italy	248,300,000		248,300,000	7.15
Japan	124,500,000	17,700,000	142,200,000	2.68
Korea (Chosen)	4,400,000		4,400,000	.30
Mexico	31,200,000		31,200,000	2.07
Netherlands	66,000,000	7,000,000	73,000,000	12.17
Norway	10,300,000	6,100,000	16,400,000	6.83
Portugal	65,600,000	8,200,000	73,800,000	12.30
Rumania	30,000,000	2,100,000	32,100,000	4.40
Russia	646,100,000	354,100,000	1,000,200,000	5.98
Servia	9,700,000		9,700,000	3.35
Siam	100,000		100,000	.01
South American States:				
Argentina	281,400,000		281,400,000	39.08
Bolivia	7,800,000		7,800,000	3.39
Brazil	125,500,000		125,500,000	7.25
Chile	500,000		500,000	.15
Ecuador	2,300,000		2,300,000	1.77
Guiana—				
British	100,000		100,000	.33
Dutch	200,000		200,000	2.00
French	100,000		100,000	1.00
Peru	8,300,000	3,900,000	12,200,000	2.65
Uruguay	21,700,000		21,700,000	18.08
Venezuela	800,000	2,500,000	3,300,000	1.22
Spain	123,600,000		123,600,000	6.27
Sweden	27,000,000	3,200,000	30,200,000	5.50
Switzerland	33,400,000	11,600,000	45,000,000	12.16
Turkey	14,900,000	127,500,000	142,400,000	5.98
Central American States	1,800,000	100,000	1,900,000	.40
Total	\$5,408,300,000	\$3,042,400,000	\$8,480,700,000	

CREDIT IN TRADE

Extent to Which It Is Used, as Revealed in the Reports Made to Banks by Many Large Borrowers

THE extent to which mercantile business in this country is carried on by the use of borrowed money is indicated in the table below, made up from the statements of forty-four separate firms filed with several of the leading New York banks as a basis for loans. The amount of cash on hand in 1914 is but little more than 18 per cent. of the aggregate bills and accounts payable.

The statements from which the table was compiled show the condition of business of the various concerns at dates ranging from Jan. 1, when such statements are usually made up, to June 1, so that they are influenced in no way by the situation created by the European war. The figures of the same firms for 1913 and 1914 are given for purposes of comparison. The summary for the forty-four firms is as follows:

	1914.	1913.
Cash on hand.....	\$29,483,135	\$25,160,454
Bills and acc'ts receivable.....	133,111,390	123,620,653
Merchandise on hand.....	175,235,911	167,909,567
Bills and accounts payable.....	161,304,160	138,200,716

In the dry goods trade the percentage of cash is less than the general average, being about 12 per cent. The following figures are for six dry goods firms:

	1914.	1913.
Cash on hand.....	\$351,000	\$403,000
Bills and accounts receivable.....	3,089,000	2,887,000
Merchandise on hand.....	3,133,000	2,823,000
Bills and accounts payable.....	2,910,000	2,722,000

The proportion of cash in the drug trade is considerably higher than the general average, running to nearly 39 per cent. The figures of four drug firms are combined in the following table:

	1914.	1913.
Cash on hand.....	\$779,000	\$491,000
Bills and accounts receivable.....	4,001,000	3,968,000
Merchandise on hand.....	6,211,000	6,164,000
Bills and accounts payable.....	1,978,000	1,979,000

Conditions in the boot and shoe trade closely approximate the general average, being a little less than 18 per cent., as shown by the consolidated statements of eight firms, as follows:

	1914.	1913.
Cash on hand.....	\$3,114,631	\$2,255,213
Bills and accounts receivable.....	13,247,749	12,460,532
Merchandise on hand.....	17,492,172	18,406,752
Bills and accounts payable.....	17,000,604	14,525,577

Somewhat more than 22 per cent. is the proportion in the grocery business, as shown by the figures of eleven firms, as follows:

	1914.	1913.
Cash on hand.....	\$1,765,531	\$1,175,993
Bills and accounts receivable.....	8,413,597	7,885,551
Merchandise on hand.....	8,297,259	8,397,826
Bills and accounts payable.....	7,538,177	7,498,135

Seven hardware firms make the following showing, the percentage being only 9½ per cent.:

	1914.	1913.
Cash on hand.....	\$499,226	\$515,361
Bills and accounts receivable.....	5,072,937	5,553,642
Merchandise on hand.....	6,586,510	7,223,254
Bills and accounts payable.....	5,231,657	6,267,473

Eight provision firms, including some large meat packers, show that the business is carried on about on the basis of the general average, the percentage being a little more than 18 per cent. The figures follow:

	1914.	1913.
Cash on hand.....	\$22,973,747	\$20,319,887
Bills and acc'ts receivable.....	99,287,107	90,865,928
Merchandise on hand.....	133,515,970	124,894,735
Bills and accounts payable.....	126,645,722	95,208,531

Standardizing Blue Sky Laws

Investment Bankers Seek Uniform Legislation Which Will Check Fraudulent Promotions Without Handicapping Traders in Recognized Securities

THE Investment Bankers Association of America, through whose efforts most of the hasty and ill-advised blue sky legislation in various States has been swept away, has just completed the constructive side of its work on this subject through the drafting of a proposed uniform law.

This proposed law, in its final form, incorporates several suggestions made by Eugene Lamb Richards, Superintendent of Banks of New York State, and Chairman of the Committee on Blue Sky Legislation appointed by the National Association of State Bank Supervisors at its recent convention. It has the indorsement of Mr. Richards, and has been approved by the Governors of the Investment Bankers' Association, so that it is ready for recommendation to the State Legislatures that meet this Winter.

AIMS OF THE BILL

The bill is aimed specifically at trafficking in the stock of "fly-by-night concerns, visionary oil wells, distant gold mines, and other like fraudulent exploitations," as the Attorney General of Michigan has expressed it. With such a law the Investment Bankers' Association has been in sympathy from the start, but it had to drop any affirmative efforts in order to contest the constitutionality of the Michigan and Iowa laws, in which it was successful. The decisions in these cases are held to demonstrate the unconstitutionality of similar laws in other States.

The Kansas law, which was the father of them all, required the approval of the Bank Commissioner for each and every issue of securities before it could be offered for sale in the State, though only a small proportion were even open to the suspicion of being fraudulent. Such regulation of dealings in all securities proved cumbersome and expensive, and was also unnecessary for the purpose in view. It was found physically impossible for the Commissioner to investigate all the companies whose securities were offered for sale, and in practice many of the provisions of the law had to be ignored by those administering it.

OLD LAW INEFFECTIVE

That this sort of a law was not effectively directed to the original purpose is shown by the letter of the Kansas Bank Commissioner, J. N. Dolley, first proposing legislation and first giving currency to the term "blue sky" and describing the real purpose of the movement. On Dec. 16, 1910, he sent to all the newspapers in the State a letter saying:

We have made much research along these lines, and are amazed at the enormous amount of money the Kansas people are being swindled out of by these fakers and blue sky merchants. I find that Kansas is literally infested with them.

They are sitting around, and when a man dies the widow receives her pittance of insurance—one, two or three thousand dollars, as the case may be, mostly from fraternal insurance. These thieves show up a few days after a funeral and undertake to sell the widow some of their fake stock, promising her dividends of anywhere from 15 to 50 per cent. per annum. * * *

I will ask the Legislature for a law clothing some department of State with the power to remove these financial cancers entirely from our

State, and I am sure, with the proper help from the Legislature, we can do so. * * *

I regret very much that I have no funds to pay you for this work, and am obliged to ask you to do it gratis, but I know that you are interested * * * to protect your subscribers and the class of people who are being robbed, many of whom are helpless, against the intrigues and dishonesty of these get-rich-quick vultures.

R. A. Watson, the Corporation Commissioner of Oregon, said recently:

I have attempted to do two things, to stop fraudulent transactions and the sale of stocks through misrepresentation first, and secondly, to require that wherever a security of a speculative nature was sold, the seller present the matter honestly and fairly to the intending purchaser.

Harry M. Smith, Bank Commissioner of Maine, where the law is not so drastic as in Oregon, said:

If it were a matter of passing upon every security offered before it was sold, I would say that if such a law were passed I should be obliged to resign my position, because I believe it impossible for any man to accomplish this task with any organization the cost of which will be within the bounds of reason.

The investment bankers found that in the two instances where the Kansas law had been invoked to punish questionable dealers it was found necessary to prosecute them under the Federal law against frauds instead. The Kansas law, however, had proved effective in discouraging or preventing many frauds.

The plan of the proposed law is to combine the punitive provisions of the Federal Postal law with the publicity features of the Kansas law, leading to the discovery and prevention of fraud.

DRASTIC RULES

All sales of securities are subject to drastic provisions, involving fine and imprisonment, in case any fraud is committed. All general offerings or promotions of securities are subject to punitive provisions against representations made without sufficient knowledge or information, or the concealment of adverse facts.

They are also subject to publicity and investigation by the Commissioner, by whom they may be found to be in the class of speculative securities. This depends upon his decision as to whether they involve a predominating element of risk. It is thus intended that investment securities shall be subjected to the drastic requirement applying to speculative securities, whenever the Commissioner takes the initiative toward that end, instead of making it necessary, as in the Kansas law, for the Commissioner to apply the acid test in every case.

To further lighten his work and remove from administrative discretion securities that are considered speculative beyond question, the bill provides that any securities that yield or promise to yield more than 10 per cent. per annum on the price at which they are offered or sold, or which are offered or sold with any representation or inducement that they will yield more than that, or that they are or will be worth twice or more than twice the price at which they are offered or sold, shall fall in the class of speculative securities.

RESTRICTIONS ON ADVERTISING

In order that the Commissioner may be in a position to determine, as to any securities offered, whether or not they are speculative, he must be notified by any dealer proposing to make any general offering of securities of that fact. The dealer or promoter is required to file with the Commissioner all prospectuses or ad-

vertising matter that he may purpose using and any further information the Commissioner may ask. The Commissioner is authorized to make investigations in which he may issue subpoenas and administer oaths. If he decides the securities are speculative, they become subject to the provisions affecting all speculative securities, including those defined in the act.

Having thus got down to securities which are speculative, either by statute or in the judgment of the Commissioner, the bill provides how they shall be dealt with. They cannot be offered for sale until the dealer or promoter has filed with the Commissioner detailed information as to the person or company issuing them.

REQUIREMENTS

The requirements include a copy of the securities, the assets and liabilities of the company issuing or guaranteeing them, the total amount of the securities, and of any prior interest or lien. If secured by mortgage or other lien, a copy of the instrument and an appraisal of the property must be furnished. The gross or net earnings, actual or estimated, of any company issuing or guaranteeing the securities or of any property covered by the mortgage or lien must be stated. All knowledge or information of the promoter on these subjects, including a statement that he has thoroughly investigated them and believes the information to be true, is required. All advertising matter proposed to be used, the names, addresses, and selling territory in the State of any agents to be employed, and full information as to the promoter himself and of any partners he may have must also be filed.

The Commissioner is then to check up these facts with the advertising matter, to see whether there is any violation of the sections prohibiting fraud, misrepresentation, or the concealment of information. If he finds that violations exist he is to notify the promoter and also the District Attorney. The promoter is then prohibited from selling any of the securities or proceeding in any way without notifying the District Attorney of every transaction. It is made the duty of the District Attorney to prosecute such violations, and if he is not diligent the Commissioner may call on the Attorney General to direct the prosecution.

SALES TO BANKS

Sales of securities to banks, bankers, dealers, and brokers are exempted from the act, as are also sales on recognized Exchanges, at public auction or by order of any court.

Robert R. Reed, counsel for the Investment Bankers Association, in discussing the proposed law, said:

We have practically rejected the principle of the Kansas plan, while seeking to retain its practical advantages. No sane State official wishes the responsibility of passing on the possible success of a business, on the "promise of a fair return," "probability of loss," or "safety" of the securities of a business enterprise, to quote from various Blue Sky laws. In all the States having these laws the officials have tried to ignore these terms and to direct their work to the prevention of fraud. The prohibition of business risk is manifestly unsound and dangerous.

What State Commissioner wishes either to prevent an honest enterprise full of possible good, or, if he approves it and it fails, to find that his official sanction has taken thousands of dollars from the wage-earners of the State? The former Bank Commissioner of Kansas, we believe, had this latter experience more than once within his brief administration.

The proposed law has consequently been drawn directly to prevent fraud and misrepresentation, and to furnish the machinery for detecting them in advance.

One Month of War Trade

Balance Was Against Us in August, but Present Tendencies Are Likely to Swing Relation of Exports to Imports Sharply in Favor of This Country

THE sudden shock of war was more quickly displayed in the movement of vessels than in the value of merchandise received and sent out from our shores. Quantities of goods were already on the high seas when war began, and they continued to their destinations.

England did not enter the field as a belligerent power for some days after Germany set her armies moving, and during this interval the course of British maritime affairs continued as before. It is seen from the weekly totals of foreign trade that while imports during the first two weeks showed a sharp falling off from the same weeks last year, it was not until the third week of August that war's iron hand was most distinctly felt. In the final week the shrinkage was still more evident.

SMALL DECLINE

Exports from our seaports were more severely affected in the early days of the month than imports. This was explained, of course, by the fact that exporters and shipowners realized immediately upon Germany's declaration of hostilities against Russia and France that traffic on the high seas would be at risk. Nevertheless shippers were willing to run the risk in order to fill their cargoes. The falling off from the corresponding week of 1913 was under 10 per cent, and it was not until the third week that the shrinkage of outward bound consignments became drastic.

In this table the weekly records for the port are given with the percentage of decrease from last year. The opening week of September is included to show what happened after the primary apprehension of shippers and shipowners had been removed:

IMPORTS.			
Week Ended.	1914.	1913.	Pct. of Decrease.
Aug. 8.....	\$12,419,783	\$17,516,674	29.1
Aug. 15.....	14,258,228	17,498,908	10.8
Aug. 22.....	12,165,302	18,265,132	33.3
Aug. 29.....	11,716,817	22,413,649	47.7
Sept. 5.....	15,212,002	20,201,534	24.7
Total.....	\$65,771,132	\$95,895,897	31.4

EXPORTS.			
Week Ended.	1914.	1913.	Pct. of Decrease.
Aug. 8.....	\$12,071,056	\$13,515,717	10.6
Aug. 15.....	10,723,082	14,834,851	27.7
Aug. 22.....	8,477,361	15,797,498	46.3
Aug. 29.....	10,214,302	12,158,997	15.9
Sept. 5.....	12,210,989	14,866,148	17.7
Total.....	\$53,696,770	\$71,173,211	24.4

SHIPPING REDUCED

In the week ended on Aug. 8 the number of vessels cleared from New York was considerably less than 50 per cent. of those cleared in the same week last year. Shipowners decided to cut down risk of capture to the minimum, especially those who sailed their vessels under a belligerent flag. There was a considerable reduction, also, in the number of ships entered at the port in the first two weeks, but in the third there was an increase of nearly 6 per cent. over the

preceding year, an occurrence that can evidently be accounted for by the entry of ships that needed to seek a neutral port for a time rather than by the demands of commerce. In this week there was a decrease of 33 per cent. in imports.

The following table gives the report of the Surveyor of the Port by weeks in August and the first week of September. It will be noted that 14 per cent. fewer ships left during the period than entered the Narrows:

SHIPS CLEARED.			
Week Ended.	1914.	1913.	Pct. of Decrease.
Aug. 8.....	63	143	56
Aug. 15.....	72	85	15.3
Aug. 22.....	58	85	31.7
Aug. 29.....	82	130	36.9
Sept. 5.....	71	92	22.8
Total.....	346	535	35.3

SHIPS ENTERED.			
Week Ended.	1914.	1913.	Pct. of Decrease.
Aug. 8.....	101	139	27.3
Aug. 15.....	74	98	25
Aug. 22.....	90	85	5.8
Aug. 29.....	107	125	14.4
Sept. 5.....	52	97	46.4
Total.....	404	544	25.7

*Increase.

A glance at Germany's trade with this country through New York shows clearly the effect of the war upon her commerce by the sea. All her imports were cut down from nearly \$10,000,000 in August, 1913, to practically nothing. Her exports to New York were cut in half. Austria-Hungary's imports fell from nearly \$1,000,000 to nothing at all, and her exports, too, were reduced by close to 50 per cent. Russia's imports fell more than 85 per cent., and exports more than 50 per cent. France and Belgium were heavy sufferers in both items, and England alone of the leading foreign commercial nations held up approximately to the level of the August figures a year ago.

FOREIGN TRADE AT NEW YORK.					
	Exports.		Imports.		
	1914.	1913.	1914.	1913.	
Germany.....	\$19,514	\$9,539,286	\$5,289,319	\$10,619,305	
England.....	11,859,201	13,846,176	\$,622,044	12,612,772	
France.....	1,545,040	5,640,392	5,065,071	11,004,717	
Aust.-Hungary.....	—	902,731	451,052	1,042,694	
Russia.....	76,681	891,211	392,437	790,038	
Belgium.....	254,165	3,274,352	1,156,356	2,792,658	

TRADE WITH EUROPE

While Europe dropped back in imports received from New York, in case of every country except Norway, and the same adverse record was made by all the nations of the other continents, there was an increase of exports to this port by South America and the islands of Oceania. South American countries sent here 60 per cent. more goods than in August, 1913.

This table summarizes the world's commerce through New York for the month of August:

	Exports.		Imports.	
	1914.	1913.	1914.	1913.
Europe.....	\$18,715,236	\$46,310,671	\$31,067,557	\$49,387,893
No. America...	7,618,023	9,531,065	13,205,182	12,205,182
So. America...	3,582,516	9,882,404	11,012,680	7,808,230
Asia.....	848,854	3,440,520	6,055,688	7,582,003
Oceania.....	1,309,130	4,506,336	2,001,454	610,215
Africa.....	771,278	2,188,510	341,851	438,212

For the whole country for the month of August exports declined \$27,571,475, and imports fell away to the extent of \$8,252,057. In particular items there were, how-

ever, significant gains. The value of breadstuffs sent out was \$29,539,131, against \$28,686,604. In spite of the paralysis of shipping from North American ports to Europe in the first two weeks, the month's total of wheat exports was 24,079,966 bushels, against 24,332,554 bushels in August, 1913, and its value was \$23,659,680, as compared with \$23,165,336. The value of cattle shipped on the hoof, and of fresh beef, showed material increases over their records in the corresponding month of last year.

AN ADVERSE BALANCE

The balance of trade in August—the excess of imports over exports—was against us to the extent of \$19,061,951, as compared with an excess of exports for that month a year before of more than \$50,000,000. The showing did not, however, display fairly the probable relationship of the two sides of our foreign trade under the conditions now prevailing. Exports, it must be remembered, experienced an abrupt recession when the war began, whereas a large volume of merchandise directed toward our shores was already well at sea and was received at ports of the United States during the first two weeks of the month.

The full effect of the war upon commerce from other countries to the United States appeared toward the close of August, and by this time efforts made in this country to increase exports were getting under way. It is reasonable to expect that, while the European struggle will continue to hamper shipments of goods, the activity of exporters on this side will increase the outflow of American merchandise and the balance of trade will swing in the opposite direction from its progress in August.

TRADE-GETTING NEEDS

Minister at Peking Outlines Some Things Which Our Dealings with China Lack

If the United States is to profit by the war's interference with the foreign trade of the leading European powers it must have much better banking facilities, a need which one of the national banks is trying to remedy in so far as trade with South America is concerned. The American Minister at Peking offers some suggestions for getting an entrance to China's trade.

He reports that the greatest deficiencies preventing the development of American commerce in that country are the absence of financial institutions for handling foreign loans, the lack of an investment company which could subject proposed improvements to scrutiny and gather up the means for promoting sound enterprises, the lack of American commission houses, the lack of an organization of exporters with representation in foreign markets, and, finally, the lack of commercial attaches who could assist diplomatic missions and consular offices.

It is suggested that there should be formed a financial institution broadly representative of American financial activities which will undertake the development of American financial and industrial interests abroad. The Minister suggests that it is desirable for purposes of foreign trade that it should be made legal for banks in the United States to unite in the creation of a banking institution which could perform this service connected with foreign investment.

The advances hitherto made by American commerce are due mostly to so great an inherent excellency of the products that a demand was created abroad in spite of all absence of export organizations, but American commerce cannot continue to rely on foreign commission houses, which will always give it a secondary position. The creation of more American commission houses in China is essential, our Minister thinks.

Foreign Correspondence

DECIDED improvement continues to manifest itself in the monetary situation at London, but no plan has yet been devised there for the reopening of the Stock Exchange. The Committee of the Exchange, however, has fixed minimum prices for a large number of stocks, and this appears to have helped the situation to some extent. The British Treasury bill issue of the week was placed even more easily than the other issues put out since the outbreak of the war. Money has become so plentiful in London that bankers have again reduced the interest allowed on deposits, this time to 2½ per cent. The conviction that money will remain abundant is reflected in the fact that six months' bills have been discounted as low as 27½ per cent. Treasury bills are also being put out in France, where they are offered in denominations of 100 francs and upward, running from three to twelve months and bearing interest at 5 per cent. If the Allies continue to win victories Paris believes that it can soon resume trading on the Bourse.

LONDON'S EASY MONEY

Bills Are Going at Less Than 3 Per Cent., and Rate on Deposits Has Been Lowered to 2½ Per Cent.

By Cable to The Annalist

LONDON, Sept. 19.—The week ends with more signs of improvement. The weekly return of the Bankers' Clearing House has increased in a fortnight from £155,000,000 to £180,000,000. Cotton manufacturers are in better plight. Remittances previously withheld under the moratorium are being paid. The third batch of Treasury bills, amounting to £15,000,000, was even more successful than its predecessors. Six months' bills are going at 27½ per cent., and the open market discount rate is 3 per cent., although the supply of bills is slowly increasing.

Despite the fact that the Government has earmarked another £500,000 for currency note redemption, the Bank of England's stock of gold is £48,500,000. Money is abundant, and bankers are now allowing only 2½ per cent. on deposits. Gold is coming in daily, and exports usual at this season, it now seems, are not likely to be made this year.

New York City's new issues are not in great demand here except from those who are renewing sterling bills they hold which are due shortly by subscribing to the new issue.

The Stock Exchange Committee's action in fixing minimum prices for 800 investment stocks has had good effect on the whole. The cash demand for stocks, which was stimulated by the realization of last week's victories, disappeared because of the absence of fresh decisive news. Today, however, there have been buyers for American railroad and metal shares.

No definite scheme for the reopening of the Stock Exchange has yet been submitted officially to bankers. When the latter are satisfied that the time has come for action the Government will probably be asked for some form of special moratorium if not for a guarantee. Prospects of reopening are thus as distant as ever. More dividends which were deferred at the outbreak of the war are now being paid.

MAY REOPEN BOURSE

Victories by the Allies May Encourage Paris Bankers to Aid Resumption of Trading

By Cable to The Annalist

PARIS, Sept. 19.—No revival in business has yet begun despite the praiseworthy efforts of Chambers of Commerce, especially the American Chamber of Commerce here, in laying proposals before manufacturers and exporters.

The provincial Bourses are not well designed to attract the attention of market operators, and the syndicate of Paris bankers will meet Monday to consider the reopening of the Paris Bourse. If the Allies continue to enjoy victories trading will probably be resumed in the near future.

The meeting of bankers will also discuss the advisability of ending the moratorium in October and of requiring bankers to release another 10 per cent. of deposits. Another matter to be taken up for discussion, and which calls urgently for some solution, is the status of the 500,000,000 francs of Bourse loans and bankers' loans on collateral which are all overdue and remain unprotected.

In order to put a check on the exorbitant charges of some bankers official quotations for foreign exchange will soon be resumed. Meanwhile New York cables are quoted at 5.12 and London exchange nominally at 25.45. All the post offices in France are now selling national defense Treasury notes running for three, six, and twelve months. They carry interest at the rate of 5 per cent. The notes are issued in denominations as small as 100 francs.

RELIEF FOR DUTCH TRADE

Government Help Is Sought to Offset War Losses—Drastic Steps Proposed

Special Correspondence of The Annalist
Amsterdam, Aug. 31.

ALTHOUGH up till this moment our country has fortunately not been involved in the terrible war by which it is surrounded, it need hardly be argued that inasmuch as our country is situated amidst the struggling nations the disastrous effect of the destructive war is bitterly felt here. With the exception of a few articles, especially food-stuffs, of which still considerable quantities can be exported at profitable prices, there is hardly any branch of trade and industry which is not seriously handicapped under the present circumstances.

The bulb trade is very important here, and there are districts in the provinces of North and South Holland where the economic welfare is entirely dependent upon the outcome of the bulb trade. Up to a value of about 15,000,000 florins the bulbs are yearly exported to England and America, and between 7,000,000 and 8,000,000 florins of wages are paid yearly in this business, forming the source of income of more than five thousand families. The bulbs are ordinarily exported in the month of September, and inasmuch as it cannot be expected that within so short a time a radical change in the present conditions will take place, the export will this year fall through. In case the export should still be forced, the fear exists that prices will be depressed in such a manner that the existing contracts, closed at higher prices, would be cancelled on account of "force-majeure."

In order to find a way to get out of the difficulties in which the traders as well as the nurseries are placed, the leaders of the unions in the bulb business have conferred with the leaders of the banking syndicate which has been formed to support the general trade and industry with a capital of 200,000,000 florins, in which discussion it was stated that an amount of about 10,000,000 florins would be required to meet the immediate needs of this branch of business. It is, however, not easy for the banking syndicate to give any support, be-

cause the bulbs, no matter how valuable they may be in normal times, are not suitable for forming a collateral for any advance to be made by the syndicate.

In a conference with the representatives of the Queen in the provinces of North and South Holland the idea has been considered of planting the bulbs instead of exporting them, but it was feared that this action would lead to such an overproduction in the next year that both the traders and nurseries would be greatly harmed. It has therefore been considered whether it would not be more to the ultimate advantage of all concerned in the business to destroy that part of the crop that would have been exported and to form a syndicate which will try to get an advance of 10,000,000 florins, which amount would approximately represent the damage done. This advance would be repayable within five years, and in order to secure the repayment a trust will be formed which will fix the prices for the home and foreign bulb trade. The trust will also regulate the production.

It is generally recognized that it is most necessary to take the strongest possible measures to protect the masses of employees, who by the disastrous influence of the war upon the economical life of our country are deprived of any income. These employees have been placed in a very difficult position, because the shops are generally not inclined to sell the necessities of life without payment in hard cash. Consequently they will soon be unable to acquire even the most necessary food-stuffs. Radical measures will be taken to meet this situation. On the energetic initiative of her Majesty the Queen a national protective committee has been formed, which in the first place will take measures to preserve the growing crops.

Besides the National Protective Committee there are local supporting committees formed in the various large cities of our country, which are working in co-operation with the National Committee in relieving need. The municipality of Amsterdam has granted a credit of 500,000 florins to buy food-stuffs, which will be preserved, and which, if necessary, will be distributed free of cost among the population of the city.

Chicago's Interest in Cotton

Special Correspondence of The Annalist

CHICAGO, Sept. 19.

THIS city is very much interested in the cotton situation on account of its growing commercial relations with the South. Chicago banks have helped more and more in recent years to finance the cotton crop, and this year they will help the planters to hold it for a market. Leading dry goods and other mercantile concerns here have been extending their trade further and further into the cotton belt until now they cover it all, as do the largest mail-order houses and some manufacturing concerns.

So extensive are Chicago interests in the South that the Association of Commerce held a special meeting this week to consider the situation there. Packers have especially close relations with cotton planters, to whom they sell great amounts of provisions, rough meats, and fertilizer.

European Banks Statement

BANK OF ENGLAND.

	1914.	1913.	1912.
Reserve	148,720,482	142,067,706	141,632,435
Notes, reserve	32,943,000	31,761,426	31,534,400
Reserves to liabilities ..	21½%	60½%	50½%
Circulation	35,820,000	28,686,340	28,547,975
Public deposits	28,643,000	9,629,267	15,884,550
Other deposits	135,041,000	42,639,196	46,355,339
Government securities ..	25,669,000	12,453,405	13,367,675
Other securities	113,762,000	26,308,517	35,567,628
Discount rate	5%	4½%	4%

BANK OF NETHERLANDS.

Week Ended Sept. 5.

	1914.	1913.	1912.
	Dutch	Dutch	Dutch
	Gulders.	Gulders.	Gulders.
Gold	162,206,270	148,311,322	144,264,608
Silver	2,710,651	8,000,733	8,212,675
Bills discounted	185,479,107	67,694,678	85,074,671
Advances	126,147,179	85,454,860	76,875,230
Circulation	445,194,360	307,847,410	298,365,110
Deposits	20,426,047	9,746,762	9,139,457

N. W. Halsey & Co.

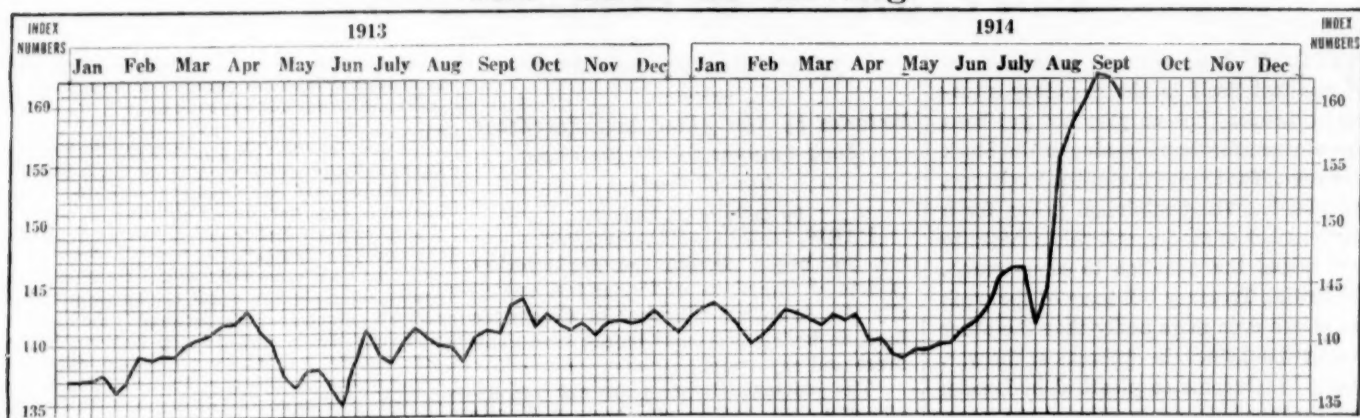
Bonds for Investment

Circular upon request

49 Wall Street, New York

Philadelphia Boston Chicago

The Cost of Living



An index number is a means of showing fluctuations in the average price of a group of commodities. The *Annalist* Index Number shows the fluctuations in the average wholesale price of twenty-five food commodities selected and arranged to represent a theoretical family's food budget.

Barometrics

THE ANNALIST INDEX NUMBER

Weekly Averages.		Years' Averages.	
Sept. 19.	160.69	1913.	139.98
Sept. 12.	162.22	1912.	143.25
		1896.	80.09
		1890.	109.25

POTENTIALS OF PRODUCTIVITY

The Metal Barometer

	End of August.		End of July.	
	1914.	1913.	1914.	1913.
Daily pig iron capacity, tons	64,203	82,426	63,935	81,657
U. S. Steel's orders, tons	4,213,313	5,223,468	4,158,589	5,399,316
Pig iron production, tons	*1,995,261	*2,545,763	†16,354,921	†21,455,183

*Month of August. †Eight months.

Building Permits

August, 143 Cities.		July, 104 Cities.	
1914.	1913.	1914.	1913.
\$62,062,204	\$64,619,339	\$64,912,541	\$58,076,782

Migration

	June.		Fiscal Year.	
	1914.	1913.	1913-14.	1912-13.
Inbound (alien only)	71,728	176,261	1,218,480	1,197,892
Outbound (alien only)	38,413	22,930	303,338	308,190
Balance	+33,315	+153,331	+915,142	+889,702

MEASURES OF BUSINESS ACTIVITY

Bank Clearings

Entire country, estimated. Percentages show changes from preceding year.		The past week.		P. C. The week before.		P. C. The year to date.	
1914	1913	1914	1913	1914	1913	1914	1913
\$2,347,423,942	\$2,347,423,942	-28.4	\$1,949,867,334	-34.8	\$117,352,318,278	-3.5	
3,276,297,262	3,276,297,262	..	2,990,581,951	5.3	121,678,569,242	-0.7	
3,276,570,458	3,276,570,458	+11.9	3,154,740,393	+4.0	122,532,852,579	+6.7	

For the week ended Saturday noon. Reported by telegraph to The Annalist

Central Reserve cities:		Last Week.		Thirty-eight Weeks.		Year's Change.	
		1914.	1913.	1914.	1913.	P. C.	
New York	\$1,122,025,939	\$1,840,026,434	\$64,689,488,516	\$68,448,380,249	-5.5		
Chicago	287,436,703	314,890,935	11,724,796,229	11,028,392,689	+0.8		
St. Louis	70,771,158	70,690,306	2,900,108,640	2,364,870,262	-1.2		
Total 3 c. cities	\$1,480,233,800	\$2,225,117,675	\$79,314,392,385	\$83,011,643,191	-4.5		
Reserve cities:							
Baltimore	\$38,000,000	\$37,807,005	\$1,328,000,143	\$1,434,571,527	-6.7		
Boston	118,484,029	140,839,537	5,072,000,084	5,885,091,432	-3.6		
Cleveland	24,326,412	26,021,250	981,168,100	964,026,100	+1.7		
Cincinnati	22,817,800	24,006,448	938,933,118	926,686,337	+1.3		
Denver	9,782,379	8,764,967	342,585,908	341,590,406	+0.3		
Detroit	27,878,614	27,364,707	1,017,966,051	958,118,166	+6.2		
Kansas City, Mo.	11,577,105	56,781,802	1,975,026,382	2,018,800,044	-2.2		
Los Angeles	22,596,745	27,132,306	873,470,840	897,550,598	-2.7		
Louisville	11,322,630	12,224,017	512,982,108	526,044,431	-2.6		
Minneapolis	11,887,750	31,080,831	892,195,710	859,028,356	+3.7		
New Orleans	11,065,967	17,062,604	675,121,462	673,812,022	+0.2		
Omaha	18,807,028	18,088,770	634,244,732	641,408,248	-1.1		
Philadelphia	135,231,433	160,306,129	5,877,131,220	6,143,520,802	-4.3		
Pittsburgh	49,800,085	51,583,752	1,952,517,757	2,150,292,082	-9.2		
St. Paul	10,480,077	10,277,522	404,000,210	398,388,183	+1.8		
San Francisco	52,063,001	53,165,377	1,805,000,537	1,838,442,152	-1.8		
Seattle	13,805,721	13,908,250	450,003,275	405,002,300	-1.9		
Tot. 17 res. cit.	\$674,805,251	\$718,446,166	\$26,349,471,146	\$27,095,449,296	-2.8		
Grand total	\$2,155,039,051	\$2,950,564,041	\$105,063,863,531	\$110,107,092,487	-4.0		

Gross Railroad Earnings

	First Week	Fourth Week	Third Week	Month of
	In Sept.	In Aug.	In Aug.	July.
This year	\$8,999,500	\$12,533,326	\$8,635,184	\$139,947,148
Same last year	9,595,703	13,450,626	9,104,793	144,413,440
Gain or loss	-\$596,203	-\$917,300	-\$469,609	-\$4,466,292
	-6.2%	-6.8%	-5.1%	-3.1%

*30 roads. **29 roads. †23 roads. ‡38 roads.

The Car Supply

	Sept. 1.	Aug. 15.	Nearest Report to Sept. 1.			
	1914.	1914.	1913.	1912.	1911.	1909.
Net surplus of all freight cars	163,326	172,145	58,306	9,750	84,541	60,022
	106,677	221,214				

THE CREDIT POSITION

New York Banking Position

(Both Banks and Trust Companies, Average Figures.)

	Loans.	Deposits.	Cash.	Reserve.
Last week	\$2,230,282,000	\$1,984,236,000	\$408,797,000	20.60%
Week before	2,162,994,000	1,920,294,000	397,423,000	20.69%
Same week, 1913.	1,946,186,000	1,784,582,000	411,425,000	23.05%
This year's high.	2,230,282,000	2,062,770,000	515,426,000	25.08%
on week ended	Sept. 19	May 16	May 23	Jan. 24
This year's low.	1,874,614,000	1,717,649,000	382,731,000	20.00%
on week ended	Jan. 3	Jan. 3	Aug. 15	Aug. 15

Specie Movement at the Port of New York

	Week Ended Sept. 19.		Thirty-eight Weeks.	
	Imports.	Exports.	Imports.	Exports.
Silver	\$186,320	\$1,131,359	\$6,942,532	\$32,619,448
Gold	258,420	68,004	6,756,800	127,601,631
Total	\$444,740	\$1,199,363	\$13,699,332	160,221,079

Cost of Money

	Last Week.	Previous Week.	Since Jan. 1.	Same Week.	
	@ 8	@ 8	High. Low.	1913.	1912.
Call loans in New York	@ 8	@ 8	10 1 1/2	2 1/2 @ 3 1/2	4 1/2 @ 5 1/2
Time loans in New York, (60-90 days)	@ 10	@ 10	10 2	4 1/2 @ 4 1/2	5 1/2 @ 5 1/2
Commercial discounts:					
New York	@ 7	@ 7	7 3/4	5 1/2 @ 6	5 1/2
Chicago	@ 7	@ 7	8 5	6 1/2	6 1/2
Philadelphia	@ 7 1/2	@ 7 1/2	7 1/2	3 1/2 @ 5 1/2	6
Boston	@ 8	@ 7 1/2	8 3 1/4	6 @ 6 1/2	5 1/2 @ 6
St. Louis	@ 8	@ 8	8 4 1/2	6 @ 6 1/2	6
Minneapolis	@ 8	@ 8	8 6	@ 7	6

Exchange

Sterling exchange, \$4.94 1/2 @ \$4.98 1/2 for demand and \$4.95 @ \$4.92 1/2 for cables. Exchange on New York at domestic centres ruled thus:

	Boston	Chicago.	St. Louis.	San Francisco.
Sept. 14.	par	20c discount	par	par
Sept. 15.	par	20c discount	par	par
Sept. 16.	par	20c discount	par	20c premium
Sept. 17.	par	20c discount	par	20c premium
Sept. 18.	par	20c discount	5c premium	40c premium
Sept. 19.	par	20c discount	20c premium	40c premium

The Week's Commercial Failures

	Week Ended Sept. 17, 1914.	Week Ended Sept. 18, 1913.	Week Ended Sept. 19, 1912.
	To-Over	To-Over	To-Over
East	145	59	103
South	100	34	69
West	86	29	84
Pacific	53	13	26
United States	384	135	282
Canada	55	24	20

Failures by Months

	August.	1913.	1914.	1913.	1912.
Number	1,272	1,145	11,226	10,477	10,645
Liabilities	\$43,468,116	\$20,848,916	\$248,944,994	\$174,083,882	\$140,263,849

OUR FOREIGN TRADE

	August.	1913.	1914.	1913.
Exports	\$110,337,545	\$187,909,020	\$1,311,319,707	\$1,515,182,157
Imports	129,399,496	137,651,553	1,269,992,869	1,156,300,228
Excess of exports.	*\$19,061,951	\$50,257,467	\$41,326,838	\$358,881,929

*Excess of imports.

Exports and Imports at New York

	Exports.	Imports.
Week ended Sept. 12.	\$13,906,351	\$15,393,386
Thirteen weeks.	\$602,813,384	\$632,698,503
	707,503,027	\$16,932,148
		\$16,292,111

WEEK'S PRICES OF BASIC COMMODITIES

	Current Price.	Range since Jan. 1.	Mean price of other years.
	High. Low.	High. Low.	1913. 1912.
Copper: Lake, per pound.	.1275	.15125 .1275	.130375 .10125
Cotton: Spot, middling upland, per lb.	.1450	.1100 .1275	.1310 .1147
Hemlock: Base price per 1,000 feet.	24.50	24.50 24.50	23.75 21.65
Hides: Packer No. 1, Native, per pound.	.215	.215 .1750	.195 .18125
Petroleum: Crude, per bbl.	1.45	2.50 1.45	1.975 2.25
Pig iron: Bessemer, at Pitts., per ton.	14.90	15.15 14.90	15.025 17.025
Rubber: Up-riber, fine, per pound.	.06	1.13 .06	.905 .905
Silk: Raw, Italian classical, per pound.	4.30	4.70 4.30	4.50 4.40
Steel billets at Pittsburgh, per ton.	21.00	21.00 20.00	24.25 22.38
Wool: Ohio X, per pound.	.29	.29 .23	.26 .27

Present Minimum Stock Exchange Prices

THE Stock Exchange ruled when it closed on July 30 that transactions in listed securities should be brought to a complete cessation, and the Clearing House Committee set about the liquidation of outstanding contracts. The Special Committee of Five appointed to handle the affairs of the Stock Exchange ruled on Aug. 12 that stocks could be bought and sold through the Clearing House of the Stock Exchange at prices not less than the last prices of July 30. Trading through the Exchange

Clearing House has been done under this restriction, modified, however, by a subsequent ruling of the committee that deductions from the prices ruling on July 30 could be made in the case of stocks selling ex dividend since that date. This has happened in a large number of stocks, and the minimum prices at which trading is permitted have been lowered by the amount of these dividend payments. The minimum prices now permitted and the yield on the basis of these prices are:

Stocks.	Capital Stock Listed.	Last Dividend Paid. Date.	Per- P. C. lod.	Mini- mum Prices.	Yield. P. C.
A DAMS EXPRESS CO.	\$12,000,000	Sep. 1, 1914	1½	Q	90% 6.6
Alaska Gold Mines	7,500,000	.....	.....	.....	.....
Allis-Chalmers Mfg.	25,046,200	.....	.....	.....	.....
Allis-Chalmers Mfg. pf.	15,759,600	.....	.....	.....	.....
Amalgamated Copper Co.	153,887,900	Aug. 31, 1914	1½	Q	49% 12.1
Am. Agricultural Chem. Co.	18,330,900	July 15, 1914	1	Q	50% 8.0
American Beet Sugar Co.	15,000,000	Nov. 15, 1912	1½	.....	.....
American Can Co.	41,233,300	.....	.....	.....	.....
American Can Co. pf.	41,233,300	July 1, 1914	1½	Q	78% 8.0
Amer. Car & Found. Co.	30,000,000	July 1, 1914	1½	Q	43% 4.6
Amer. Car & Found. Co. pf.	30,000,000	July 1, 1914	1½	Q	110% 6.3
American Cities pf.	20,553,500	July 1, 1914	3	SA	59% 10.1
American Cotton Oil Co.	20,207,100	June 1, 1911	2½	.....	.....
American Express Co.	18,000,000	July 1, 1914	1½	Q	99 14.0
Amer. Hide & Leath. Co.	11,274,100	.....	.....	.....	.....
Amer. Hide & Leath. Co. pf.	12,548,300	Aug. 15, 1905	1	.....	.....
Amer. Ice Securities Co.	19,046,100	July 20, 1907	1½	.....	.....
American Linseed Co.	16,750,000	.....	.....	.....	.....
American Linseed Co. pf.	16,750,000	Sep. 1, 1908	1½	.....	.....
Amer. Locomotive Co.	25,000,000	Aug. 26, 1908	1½	.....	.....
Amer. Malt Cor. pf.	8,839,300	May 2, 1914	2	SA	32 12.5
Amer. Smelt. & Refin. Co.	50,000,000	Sep. 15, 1914	1	Q	51% 7.8
Amer. Smelt. & Ref. Co. pf.	50,000,000	Sep. 1, 1914	1½	Q	95% 7.3
American Snuff Co.	11,001,700	July 1, 1914	3	Q	15% 7.4
American Steel Foundries	16,218,000	June 30, 1914	1½	Q	27 7.1
Amer. Sugar Refining Co.	45,000,000	July 2, 1914	1½	Q	98% 6.6
Amer. Sugar Ref. Co. pf.	45,000,000	July 2, 1914	1½	Q	100% 7.0
American Tel. & Tel. Co.	344,674,000	July 15, 1914	2	Q	114 7.0
American Tobacco Co.	40,242,400	Sep. 1, 1914	5	Q	210 5.8
Amer. Tobacco Co. pf., new	51,831,900	July 1, 1914	1½	Q	102% 5.8
American Woolen Co.	20,000,000	.....	.....	.....	.....
Anaconda Cop. Min. Co.	116,537,000	July 15, 1914	75c	Q	25 12.0
Atch., Topeka & S. F.	196,195,000	Sep. 1, 1914	1½	Q	88% 6.7
Atch., Topeka & S. F. pf.	114,199,500	Aug. 1, 1914	2½	SA	97% 5.1
Atlantic Coast Line	67,558,000	July 10, 1914	3½	SA	114 6.1
B ALDWIN LO. WORKS.	20,000,000	July 1, 1914	1	SA	41 4.9
Baldwin Loco. Works pf.	20,000,000	July 1, 1914	3½	SA	105% 6.6
Baltimore & Ohio	152,314,800	Sep. 1, 1914	3	SA	69 8.6
Baltimore & Ohio pf.	60,000,000	Sep. 1, 1914	2	SA	70% 5.7
Bethlehem Steel Cor.	14,862,000	.....	.....	.....	.....
Bethlehem Steel Cor. pf.	14,908,000	July 1, 1914	1½	Q	79% 6.3
Brooklyn Rapid Transit	73,995,000	July 1, 1914	1½	Q	78 7.7
C ALIFORNIA PETROL.	14,688,100	July 1, 1913	1½	.....	.....
California Petroleum pf.	12,390,500	July 1, 1914	1½	Q	48% 15.0
Canadian Pacific	259,989,100	July 1, 1914	2½	Q	155 6.4
Central Leather	39,607,000	Feb. 2, 1914	2	.....	.....
Central Leather pf.	33,282,200	July 1, 1914	1½	Q	95 7.3
Chesapeake & Ohio	62,793,700	June 30, 1914	1	Q	41% 7.1
Chicago Great Western	45,188,900	.....	.....	.....	.....
Chicago Great Western pf.	43,828,000	.....	.....	.....	.....
Chicago, Mil. & St. Paul	116,855,400	Sep. 1, 1914	2½	SA	82% 6.0
Chicago, Mil. & St. P. pf.	116,274,900	Sep. 1, 1914	3½	SA	126% 5.5
Chicago & Northwestern	130,121,700	July 1, 1914	1½	Q	124% 5.6
Chino Copper	4,349,400	June 30, 1914	75c	Q	31% 9.9
Colorado Fuel & Iron	34,235,500	Apr. 15, 1902	1½	.....	.....
Colorado & Southern	31,000,000	Dec. 31, 1912	1	.....	.....
Consolidated Gas Co.	99,816,500	Sep. 15, 1914	1½	Q	115 5.2
Continental Can Co. pf.	5,250,500	July 1, 1914	1½	Q	82% 8.5
Corn Products Ref. Co.	49,777,300	.....	.....	.....	.....
Corn Products Ref. Co. pf.	29,826,900	July 15, 1914	1½	Q	58% 8.6
D EERE & CO. pf.	37,828,500	Sep. 1, 1914	1½	Q	90% 7.7
Delaware & Hudson	42,503,000	Sep. 21, 1914	2½	Q	137% 6.5
Del. Lack. & Western	42,277,000	July 20, 1914	2½	Q	390 5.1
Denver & Rio Grande pf.	49,778,400	Jan. 15, 1911	2½	.....	.....
Distillers' Securities Cor.	30,818,700	Oct. 31, 1912	1½	.....	.....
E RIE	112,378,900	.....	.....	.....	.....
Erie 1st pf.	47,892,400	Feb. 20, 1907	2	.....	.....
Erie 2d pf.	16,000,000	Apr. 9, 1907	2	.....	.....
F ED. MIN. & SMELT.	6,000,000	Jan. 15, 1909	1½	.....	.....
Federal Min. & Smelt. pf.	12,000,000	Sep. 15, 1914	1	Q	28% 14.2
G ENERAL ELEC. CO.	101,420,800	July 15, 1914	2	Q	137 5.8
General Motors	16,067,200	.....	.....	.....	.....
General Motors pf.	14,112,900	May 1, 1914	3½	SA	79% 8.8
Goodrich (B. F.) Co.	60,000,000	Feb. 15, 1913	1	.....	.....
Goodrich (B. F.) Co. pf.	30,000,000	July 1, 1914	1½	Q	80% 8.1
Great Northern pf.	230,978,200	Aug. 1, 1914	1½	Q	114 6.1
Gr. Nor. cts. for ore prop.	1,500,000	Nov. 25, 1913	50c	.....	.....
Guggenheim Exploration	20,391,800	July 1, 1914	87% c	Q	39% 8.9
H OMESTAKE MINING	25,116,000	Aug. 25, 1914	65c	M	108% 7.2
I LINOIS CENTRAL	109,296,000	Sep. 2, 1914	2½	SA	103% 4.8
Inspiration Consol. Cop.	14,459,160	.....	.....	.....	.....
Inter-Met. vot. tr. cts.	60,419,500	.....	.....	.....	.....
Interborough-Met. pf.	16,955,900	.....	.....	.....	.....
International Agri. Co. pf.	12,970,300	Jan. 15, 1913	3½	.....	.....
Inter. Harvester, N. J.	39,999,800	July 15, 1914	1½	Q	82 6.0
Inter. Harvester Cor.	39,998,900	July 15, 1914	1½	Q	83 6.0
Inter. Harvester Cor. pf.	29,991,000	Sep. 1, 1914	1½	Q	115% 6.0
International Paper Co.	17,442,900	.....	.....	.....	.....
International Paper Co. pf.	22,539,700	July 15, 1914	1½	Q	30% 6.6
K ANSAS CITY SOUTH	30,000,000	.....	.....	.....	.....
Kansas City South pf.	21,000,000	July 15, 1914	1	Q	50% 8.0
Kayser (Julius) & Co. 1st pf.	2,750,000	Aug. 1, 1914	1½	Q	107% 6.5
L ACK, STEEL CO.	35,000,000	Jan. 31, 1913	1	.....	.....
Laclede Gas Co.	10,700,000	Sep. 15, 1914	1½	Q	83% 8.4
Lehigh Valley	60,591,700	July 11, 1914	2½	Q	122 8.1
Long Island	12,000,000	Nov. 1896	1	.....	.....
Loose-Wiles Biscuit Co.	8,000,000	.....	.....	.....	.....

Stocks.	Capital Stock Listed.	Last Dividend Paid. Date.	Per- P. C. lod.	mini- mum Prices.	Yield. P. C.
Lorillard (P.) Co.	15,155,000	July 1, 1914	2½	Q	157½ 6.3
Lorillard (P.) Co. pf.	11,176,900	July 1, 1914	1¾	Q	113¾ 6.1
Louisville & Nashville	72,000,000	Aug. 10, 1914	3½	SA	127 5.5
M ACKAY COMPANIES.	41,380,400	July 1, 1914	1½	Q	59¾ 8.4
Manhattan Eleva. gtd.	56,898,800	July 1, 1914	1½	Q	126½ 5.5
May Department Stores pf.	8,062,500	July 1, 1914	1¾	Q	97¾ 7.2
Mexican Petroleum	34,091,800	Aug. 30, 1913	1½	..	53 ..
Miami Copper	3,734,975	Aug. 15, 1914	50c.	Q	17 11.7
Minn., St. P. & S. S. M.	25,206,800	Apr. 15, 1914	3½	SA	101 7.0
Missouri, Kansas & Texas	63,300,300	.....	..	..	10¼ ..
Missouri, Kan. & Texas pf.	13,000,000	Nov. 10, 1913	2	SA	27½ 7.1
Missouri Pacific	83,112,500	Jan. 30, 1908	2½	..	8 ..
Montana Power	27,057,600	July 1, 1914	1½	Q	42 4.7
N ASH, CHAT. & ST. L.	16,000,000	Aug. 1, 1914	3½	SA	135 5.1
National Biscuit Co.	29,236,000	July 15, 1914	1¾	Q	120 5.8
National Biscuit Co. pf.	24,804,500	Aug. 31, 1914	1¾	Q	123¾ 5.6
National Lead Co.	20,655,400	June 30, 1914	¾	Q	40¾ 7.5
Nat. Rys. of Mex. 2d pf.	124,564,800	.....	..	..	7½ ..
Nevada Con. Copper Co.	9,997,285	June 30, 1914	37½c.	Q	10½ ..
New York Air Brake	10,000,000	June 23, 1914	1½	Q	56½ 10.7
New York Central	224,857,000	July 15, 1914	1¾	Q	78¾ 6.4
N. Y., N. H. & Hartford	180,013,200	Sep. 30, 1913	1½	..	51 ..
N. Y., Ontario & Western	58,113,900	Aug. 4, 1913	2	..	18¾ ..
Norfolk & Western	107,761,000	Sep. 19, 1914	1½	Q	96 6.2
North American	29,779,700	July 1, 1914	1¾	Q	62¾ 8.0
Northern Pacific	247,998,400	Aug. 1, 1914	1¾	Q	98¾ 7.1
P ACIFIC MAIL	20,000,000	Dec. 1, 1890	1	..	17½ ..
Pacific Tel. & Telegraph	18,000,000	.....	..	..	20 ..
Pennsylvania Railroad	490,265,700	Aug. 31, 1914	1½	Q	103¾ 5.8
People's Gas, Chicago	35,000,000	Aug. 25, 1914	2	Q	104 7.6
Pitts., Cin., Chi. & St. L.	37,174,000	Apr. 25, 1914	¾	..	65¾ ..
Pitts. Coal Co. of N. J.	31,929,500	.....	..	..	16½ ..
Pitts. Coal Co. of N. J. pf.	27,071,800	July 25, 1914	1¾	Q	82 6.0
Pressed Steel Car Co.	12,500,000	Sep. 9, 1914	¾	Q	33¾ 9.9
Pullman Co.	120,000,000	Aug. 15, 1914	2	Q	151½ 5.2
Q UICKSILVER	5,708,700	.....	..	..	1 ..
Quicksilver pf.	4,291,300	May 8, 1901	½	..	1½ ..
R AIL, STEEL SPG. CO.	13,500,000	May 20, 1913	2	..	19% ..
Ray Consolidated Cop.	14,549,290	June 30, 1914	37½c.	Q	10% ..
Reading	70,000,000	Aug. 13, 1914	2	Q	140 5.7
Reading 2d pf.	42,000,000	July 9, 1914	1	Q	82 5.0
Rep. Iron & Steel Co.	27,352,000	.....	..	..	18½ ..
Rep. Iron & Steel Co. pf.	25,000,000	July 1, 1914	1½	Q	78 ..
Rock Island Co.	90,888,200	.....	..	..	¾ ..
Rock Island Co. pf.	49,947,400	Nov. 1, 1905	1	..	1% ..
Rumely (M.) Co.	11,908,300	Mar. 3, 1913	1½	..	8 ..
Rumely (M.) Co. pf.	9,750,000	Apr. 1, 1913	1¾	..	22 ..
S T. LOUIS & SAN FRAN.	29,000,000	.....	..	..	2% ..
Seaboard Air Line	33,469,400	.....	..	..	15 ..
Seaboard Air Line pf.	22,576,500	Aug. 15, 1914	1	Q	47% 8.5
Sears, Roebuck & Co.	40,000,000	Aug. 15, 1914	1	Q	168½ 2.3
Sears, Roebuck & Co. pf.	8,000,000	July 1, 1914	1¾	Q	120¼ 5.8
Shoss-Sheffield S. & I. Co.	10,000,000	Sep. 1, 1910	1½	..	19½ ..
Southern Pacific	272,672,400	July 1, 1914	1½	Q	83% 7.2
Southern Railway	119,900,000	.....	..	..	17¼ ..
Southern Railway pf.	60,000,000	Apr. 24, 1914	2½	SA	67½ ..
Standard Milling	4,000,000	June 20, 1914	3	..	33 ..
Studebaker Co.	27,931,600	.....	..	..	28 ..
Studebaker Co. pf.	12,180,000	Sep. 1, 1914	1¾	Q	81 8.6
T ENNESSEE COPPER	5,000,000	Sep. 20, 1914	75c.	Q	24 12.5
Texas Co.	30,000,000	June 30, 1914	2½	Q	113 8.8
Texas Pacific	38,760,000	.....	..	..	12 ..
Texas Pacific Land Trust	3,670,000	.....	..	..	95 ..
Third Avenue	16,476,700	.....	..	..	33 ..
Twin City Rapid Transit	21,353,500	July 1, 1914	1½	Q	93% 6.4
U NION BAG & PA. CO.	16,000,000	.....	..	..	4 ..
Union Bag & Pa. Co. pf.	11,000,000	Oct. 15, 1912	1	..	18½ ..
Union Pacific	222,299,500	July 2, 1914	2	Q	111½ 7.2
Union Pacific Warrants	.....	.....	..	..	26% ..
Union Pacific pf.	99,569,300	Apr. 1, 1914	2	SA	77 5.1
United Cigar Mfgs.	10,847,500	Aug. 1, 1914	1	Q	40¼ 10.0
United Rys. Invest. Co. pf.	15,000,000	Jan. 10, 1907	2½	..	22 ..
U. S. Cast Iron P. & F. Co.	12,106,300	Dec. 1, 1907	1	..	9 ..
United States Express Co.	10,000,000	May 15, 1912	3	..	72½ ..
U. S. Industrial Alcohol pf.	6,000,000	July 15, 1914	1¾	..	78¼ ..
United States Rubber Co.	36,000,000	July 31, 1914	1½	Q	44% 13.6
U. S. Rubber Co. 1st pf.	59,376,700	July 31, 1914	2	Q	97 8.2
U. S. Steel Corporation	508,495,200	June 29, 1914	1¾	Q	50% 10.0
U. S. Steel Corporation pf.	360,314,100	Aug. 29, 1914	1¾	Q	104½ 6.7
Utah Copper	16,242,900	June 30, 1914	75c.	Q	47¼ 6.6
V A.-CAR. CHEM. CO.	27,987,400	Feb. 15, 1913	1½	..	21 ..
Va.-Car. Chem. Co. pf.	20,000,000	July 15, 1914	2	Q	96 8.3
Virginia Iron, Coal & Coke	9,073,600	.....	..	..	37 ..
W ELLS FARGO EX. CO.	23,967,300	July 15, 1914	3	SA	80 7.5
Western Maryland	49,429,200	.....	..	..	12% ..
Western Maryland pf.	10,000,000	Oct. 19, 1912	1	..	30 ..
Western Union Telegraph	99,759,700	July 15, 1914	1	Q	52% 7.6
Westinghouse E. & M.	35,354,500	July 30, 1914	1	Q	65% 6.1
Westinghouse E. & M. 1st pf.	3,968,700	July 15, 1914	1¾	Q	119 5.8
Wheeling & Lake Erie	20,000,000	.....	..	..	2½ ..
Wisconsin Central	16,147,900	.....	..	..	29% ..
Woodworth (F. W.) Co.	50,000,000	Sep. 1, 1914	1½	Q	88% 6.8
Woodworth (F. W.) Co. pf.	14,000,000	Sep. 1, 1914	1¾	Q	114% 6.1

Utilities

Competition as Viewed by Utility Commissions

It Is Held Generally to be Wasteful and Uneconomic, and the Tendency of Regulatory Bodies Is to Discourage It

THE quality and cost of gas and electric service very often depends to a great extent upon the size of the company producing it. A large company is able not only to insure an adequate supply, but in addition, to so materially reduce the unit cost of manufacturing its product that the consumer gets service at a price which a small company, with a limited output, could not possibly meet. It follows, therefore, that anything which tends to make for economical operation, without impairing efficiency, is to the advantage of the public. Utilities people generally claim that the greatest efficiency can only be attained through monopoly; competition is wasteful, and tends to raise rather than to lower prices.

The subject of competition between public utilities has been given a great deal of attention by the various regulatory commissions throughout the country, and some interesting opinions have been expressed by them. In connection with the recent application of the Village of Bath, N. Y., for a certificate of authority to construct and operate works and systems for supplying electricity for light to the public and for municipal purposes, the Empire State Gas and Electric Association, through its Secretary, C. H. B. Chapin, has presented to the Public Service Commission, Second District, a summary of opinions of various State Commissions on the following questions:

Should competition with an existing gas and electric company be permitted?

Should the fact that the proposed competitor is a municipality have any bearing on the previous question?

REGULATION vs. COMPETITION

The opinions of the utilities commissions very generally hold that competition is wasteful and uneconomic, and it is therefore to be discouraged. In a decision rendered as long ago as 1904, the Georgia Railroad Commission held that:

Rates and services of public utilities cannot be consistently regulated by competition; that competition in the public utility field results in duplicate plants which, when once built, are generally useless for other purposes, and, that a Government which assumes to prescribe reasonable rates and compel adequate services by public utilities should also protect such utilities and the public from unwise and useless competition, and the wasteful investment of money in unnecessary plants.

And the Oregon Railroad Commission holds the same view. In a letter dated Oct. 27, 1913, the Chairman of the commission said:

It is now coming to be recognized that competition cannot in all instances regulate rates in public utilities, and that one company, properly regulated and administered, can generally give better service than two. It is a waste of capital, and a disadvantage to a city to have two sets of telephone or electric light wires and poles encumbering the streets when one can be made to serve the same purpose. Most utilities are natural monopolies, and the highest efficiency, and the lowest rates, are only possible when each one has the entire business of a given city or territory.

A similar view is held by the Wisconsin Railroad Commission. In the case of the City of Sheboygan vs. Sheboygan Railway and Electric Company, decided last March, the commission said:

An existing plant can be made, under proper

regulation, to give the public better service and at a lower cost than can competing plants. * * * Competing utilities in any municipality add to the service burdens of the public rather than lessen them.

The Idaho Commission holds that the duplication of facilities results in economic waste, and that since the commission has the authority to compel existing properties to furnish proper service, the creation of competitors would serve no useful purpose; and the Indiana Commission thinks that it should not, through permission to establish a competing company, aid in the destruction of the property of an existing utility merely to make room for another, until all reasonable means have been employed to procure satisfactory service from the former.

The New Jersey Board of Public Utility Commissions said last year that competition between public utilities tends to be short-lived, and that unnecessary duplication of plants entails a permanent burden upon the public. The illusive doctrine of competition in this field, it said, is being superseded by an experimental regime of strictly regulated monopoly.

A NATURAL MONOPOLY

The Vermont Public Service Commission, in its Thirteenth Biennial Report to the Legislature, recommended that the provision in the statutes which prevented it from regulating competition be repealed, and stated that the word "competition" was a misnomer in cases where two or more companies were supplying the same community with the same product:

A public service corporation is a natural monopoly, that is, it is by nature a monopoly, and no amount of legislation can alter that nature. There is no such thing as "competition" between two or more public utilities furnishing the same community with the same product. What in that case is called "competition," is in fact, war, and ends as does all war, either in the destruction or absorption of the weaker contestant, and in consequent public harm. The way to protect the consumer in cases of that kind is by the regulation that the statute so fully affords, and not by strife and waste resulting from the so-called "competition."

Other authorities are cited to show that there is practically unanimity among the regulating bodies in the acceptance of the theory of regulated monopoly instead of competition, though a number of the commissions qualify the theory on the basis of adequacy of service and reasonableness of rates. In California, the extreme view is taken in this respect, the Railroad Commission of that State holding that decision must be made on the basis of the adequacy of service or reasonableness of the rates prior to the threat of competition. Save for such qualifications, however, it is now generally recognized that competition of the kind under discussion is an economic waste.

MUNICIPAL COMPETITION

The question of whether or not the fact that the proposed competitor is a municipality should have any bearing on the question of permitting it to compete with an existing company, has been answered to some extent by placing municipalities on a par with private corporations in that they must go to the commission for a certificate of convenience and necessity to supply the public the same as a private corporation. But it will doubtless be argued, says Mr. Chapin in his discussion of the subject, that the object is not profit but the supply of service at cost and that this, together with the fact that a future consolidation of the municipal plant with the private plant is not liable to occur, modifies the situation and answers some, at least, of the arguments against two utilities operating in the

same field. But the effect would, nevertheless, be to absolutely destroy the existing property:

Assume that a municipal plant is built and operated with the same efficiency as the existing private plant, and that it keeps its accounts correctly, and sells its service at actual cost. Evidently this is not competition, fair or unfair, it is not even "war," as expressed by the Vermont Commission. It is practically annihilation of the existing property. The efforts and the money expended in the past are totally wasted. While steps are being taken in all parts of the country to conserve our natural resources, oftentimes at great expense, it appears illogical and prejudicial to the public welfare to compel or even to permit the waste of artificial resources already created.

The State of Massachusetts some time ago enacted a law to overcome the danger of establishing municipal plants in so-called competition with privately owned existing utilities, from which Mr. Chapin quotes the following:

If, when a city or town votes to establish a municipal lighting plant, any person or corporation engaged * * * in the business of generating or distributing gas or electricity for sale for lighting purposes in such city or town shall elect to sell in the manner hereafter provided, the city or town shall (italics are ours) purchase of him or it such portion of his or its plant or property within the limits of such city or town as is suitable for and is used in such business? Such purchase shall be required to include both a gas and electric lighting plant only if a single corporation owns or operates both such plants.

Thus it appears that while the construction of a municipal utility in competition with one already existing is not necessarily followed by consolidation and increased rates, and that, indeed, lower rates might result in some cases to the possible advantage of the consumer, the inevitable duplication and consequent economic waste is sure eventually to be injurious to the public as a whole.

PUBLIC UTILITY NEWS

Alabama Traction, Light and Power Company

Holders of the \$10,914,400 first mortgage 5 per cent. 50-year bonds of the company have received a circular stating that prior to the beginning of war in Europe arrangements had been made for the payment of the semi-annual interest due Sept. 1, but under existing conditions these arrangements cannot be consummated, and it is therefore necessary to defer payment of this interest. The company, which is incorporated under Canadian laws, was financed in London. The Board of Directors says that it feels warranted in assuring bondholders that the deferment is only temporary and is dictated by the necessity of carefully conserving the company's cash.

American Public Utilities Company

The company reports for the year ended June 30:

	1914	1913
Gross earnings	\$2,319,595	\$1,981,321
Operating expenses	1,338,716	1,071,622
Net earnings	980,879	909,699
Other income	45,903	64,628
Total income	1,026,182	974,327
Expense	51,486	38,159
Net income	974,696	936,177
Fixed charges	509,300	503,894
Balance for dividends	375,387	432,373
Preferred dividend	234,840	205,640
Surplus	140,547	228,733

Augusta-Aiken Railway and Electric Corporation

The company has suspended dividends on its 6 per cent. cumulative preferred stock, and, according to an official announcement, dividends will not be resumed until financial and general business

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conditions are such as to permit it without weakening the company's cash position.

Capital Traction Company

The Directors of the company have reduced the quarterly dividend from 1-1-2 to 1-1-4 per cent. A notice to stockholders says: "During the present year the passenger receipts of the company, instead of showing the expected normal increase, show a decrease. This is due in large measure to the general business depression, which we confidently believe will be of temporary duration."

Interborough-Metropolitan Company

The annual financial statement of the company for the year ended June 30, 1914, compares as follows:

Receipts:	1914.	1913.	1912.
Div. on I. R. T. stock	\$5,086,920	\$4,039,536	\$5,426,048
Interest, &c.	375,982	359,702	327,782
Total income	5,462,902	4,429,238	5,753,830
Disbursements:			
Int. on Int.-Met. bonds	3,052,125	3,052,125	3,052,125
Int. p. c. notes	453,001	471,491	432,516
Int. on bills payable	1,125		19,014
Expense account	55,801	84,321	94,995
Taxes	40,085	32,887	29,873
Total disbursements	3,602,137	3,640,724	3,628,524
Surplus	1,860,765	788,514	2,125,307
Previous surplus	3,595,321	2,806,897	681,590
Total surplus	5,456,086	3,595,321	2,806,897

Kansas Gas and Electric Company

	1914	1913	Increase
August gross	\$76,790	\$70,389	\$6,401
Net after taxes	27,585	26,809	776
Twelve months' gross	1,119,006	976,308	142,698
Net after taxes	403,025	344,974	58,051

Pacific Gas and Electric Company

The California Railroad Commission has ordered the company to reduce its maximum lighting rate for lighting in the San Jose district from 8 cents per kilowatt hour for the first 30 hours to 7 cents a kilowatt hour for the first twenty hours, with other rates reduced proportionately. No change was made in power rates.

Pacific Power and Light Company

	1914	1913	Increase
August gross	\$123,457	\$112,843	\$10,614
Net after taxes	62,289	57,904	4,385
Surplus after chgs.	29,144	25,534	3,610
Twelve months' gross	1,343,236	1,289,333	53,903
Net after taxes	697,555	600,044	97,511

Portland Gas and Coke Company

	1914.	1913.	Increase.
August gross	\$97,070	\$92,525	\$4,545
Net earnings	49,426	46,166	3,260
Twelve months' gross	1,293,398	1,253,865	39,533
Net earnings	666,666	626,157	40,509

Republic Railway and Light

	1914.	1913.	Increase.
August gross	\$250,523	\$261,648	*\$5,124
Net after taxes	105,582	101,224	4,358
Eight months' gross	2,013,293	1,942,440	70,852
Net after taxes	813,744	719,839	93,904

*Decrease.

Toledo Railways and Light Company

Federal Judge Killits at Toledo, Ohio, last week granted an injunction restraining the City of Toledo from enforcing the 3-cent street car ordinance, which became effective March 27 last. The court found that the law was confiscatory and causing a loss to the company. City Solicitor Thurston has admitted the reasonableness of the decision, based on finding of the city's own expert accountants. Pending further franchise negotiations between the city counsel and the company the rate of fare will be 3 cents from 5:30 to 7:30 A. M. and 4:30 to 6:30 P. M., with six tickets for 25 cents at other hours.

United Light and Railways Company

Directors last week indefinitely postponed the dividend due Oct. 1 on the \$6,898,700 of common stock. Existing financial conditions and the necessity of husbanding all resources for extension of business and to provide for demands on the operating properties and not because of any decrease in earnings were the reasons which led to the passing of the common dividend.

Utah Securities Company

	1914	1913	Increase
August gross	\$180,873	\$149,014	\$31,859
Net earnings	90,864	86,229	4,635
Twelve months' gross	2,026,234	1,674,429	351,805
Net earnings	1,120,170	951,160	169,010

Youngstown and Sharon Street Railway Company

Formal protest has been lodged with the State Public Utilities Commission of Ohio by the company against the application of the Mahoning County Electric Light Company for permission to issue \$1,000,000 capital stock. The Youngstown and Sharon Company is seeking to prevent the entry of the Mahoning Company into competition with it at Youngstown, on the ground that there is not enough business for two companies.

News Digest

FORECAST AND COMMENT

Vice President Marshall

If we keep out of European troubles and improve our opportunities we shall enjoy the greatest commercial success in our history.

Interstate Commerce Commissioner E. E. Clark

The Commerce Commission is composed of conservatives who believe in making for progress in the transportation industry by degrees without resorting to precipitate steps that would mean destruction. All railroads cannot be equally profitable to their owners, but we desire to help you in rendering an efficient service with profits that are fair and liberal to the railroads. We desire to do a constructive and not a destructive work.

Iron Age

The indications are now plainer that the favorable effects of the war upon American steel trade will develop slowly, and that for a longer or shorter period before they appear the industry must submit to some further readjustments.

Iron Trade Review

New business in iron and steel materials, particularly in finished products, has continued to taper off, and the market has become quite sluggish.

First National Bank of Boston

One effect of the war on this country has to do with the sharp restriction which the war must impose, for a long time, upon the foreign investments of the leading European countries, estimated to have averaged not far from one and a half billions of dollars annually.

John V. Farwell Company, Chicago

So far this month both sales and collections are larger than for the corresponding time last year.

Dry Goods Economist

In the dry goods trade merchants still show unwillingness to make large future commitments, and buying for Spring continues on a restricted scale.

Marshall Field & Co.

Immediate filling-in business is about normal, with a good number of buyers visiting the market. Retail selling has been somewhat retarded by the warm weather of the week.

Bradstreet's

There is a rather brighter tinge to commercial and financial affairs this week, and the stubborn optimism so long displayed finds more apparent basis for expression.

Dun's Review

Hesitancy in entering upon new commitments continues and a spirit of caution is everywhere manifest, yet the confident feeling in business circles is maintained. Sentiment is strengthened by developments in the financial situation.

John Moody

Very distinct progress has clearly been made during the last week toward the solution of the difficult problems which have confronted the financial community since the war opened.

GENERAL

The War

At the beginning of the week the German forces, still hard pressed by the French, English and Belgians, were retreating rapidly all along the line of battle. Russian reports indicated that the end of Austrian resistance was near. On Tuesday the German forces made a stand at Aisne. French troops reoccupied Amiens, which had been abandoned by the Germans. Reports from Berlin claimed that the situation was favorable to Germany and that reports of great victories for the Allies were untrue. Also, that an important victory had been gained over the Russians, the German forces having crossed the Russian frontier, taking a number of guns and 10,000 prisoners. On Wednesday the London Press Bureau announces that the allied forces had reoccupied Rheims, and that the Germans were entrenched in a strong position north. Fighting was going on all along the line. The German Crown Prince's army was driven further back. Berlin reported successful resistance to the French attack on the German right. Berlin also reported defeat of the Russian army at Vilna, with heavy losses to the latter.

In contradistinction to this report the Russian General Staff reported the Russian army still before Konigsberg and that the German army had been driven back across the frontier. It was announced on Thursday that the German forces in France had taken up strong defensive positions and that severe fighting was going on all along the line, particularly near Soissons. The German General Staff reported that the prospects of the battle raging in France were favorable. Advances from official Russian sources state that since the taking of Lemberg the Austrians have lost 250,000 in killed and wounded, 100,000 in prisoners and 400 guns. President Wilson replied noncommittally to representations of the Belgian commission and the Kaiser as to the use of dumdum bullets. On Friday the French War Office stated that though the Germans had given ground slightly on the right wing, the resistance continued. The Germans reinforced their centre. Conditions in Lorraine and Vosges were unchanged. Berlin reported the situation in France unchanged. Petrograd announced that the German-Austrian forces had been driven further back. Austria called all men available for military duty, including those previously rejected as unfit. French War Office announced on Saturday that there was a lull in the great battle along the Aisne but no particular change in the general situation. German troops have now assumed a purely defensive attitude. The Russians reported that the offensive movement of the German army under General von Hindenburg was halted on Thursday and a new Russian invasion of East Poland is to be attempted. At the close of the week it was announced by the French War Office that the Allies had made slight advances on the right and left wing and had again driven back the army of the Crown Prince. Contradictory reports of the situation in the east came from Berlin and Petrograd, both claiming to have gained advantages.

Financial Chronology

Monday, Sept. 14

Violent break in wheat, the September option closing 6½c a bushel lower in Chicago, at \$1.02. Gold export movement in connection with the payment of the city's maturing obligations begins with the shipment of \$5,000,000 to Ottawa for the account of the Bank of England. Money, 6@8 per cent. Demand sterling \$4.98½ and cables \$4.99.

Tuesday, Sept. 15

Wheat closes 2½c a bushel higher in Chicago, at \$1.04½ for the September option. Railways petition the Interstate Commerce Commission for a rehearing in the 5 per cent. advance rate case. Directors of the Republic Iron and Steel Company defer action on the quarterly dividend on the preferred stock. Money, 6@8 per cent. Demand sterling \$4.98½ and cables \$4.99.

Wednesday, Sept. 16

Wheat closes at an advance of 4½c, to \$1.09, for September option in Chicago. Country's imports for August smallest since November, 1911, and exports smallest since August, 1909. Directors of the Crucible Steel Company defer action on the dividend on the preferred stock. Shipment of \$2,050,000 gold to Ottawa, in continuation of the movement begun on Monday for the payment of the city's obligations. Money on call, 6@8 per cent. Demand sterling \$4.97½ and cables \$4.98½.

Thursday, Sept. 17

Wheat closes 1½c lower in Chicago, at \$1.07½. New Haven Railroad files pro forma answer to the Sherman law suit brought against it by the Government. International Harvester Corporation suspends dividends on the common stock. American Express Company reduces its dividends from 6 to 4 per cent. per annum. Money, 6@8 per cent. Demand sterling \$4.96 and cables \$4.96½.

Friday, Sept. 18

Wheat closes 1½@1½c net higher. Large demand for the bankers' syndicate offering of New York City notes. Money, 6@8 per cent. Demand sterling closes at \$4.94½ and cables \$4.95½, with larger quotations of \$4.92½ and \$4.93½, respectively.

Saturday, Sept. 19

Wheat advances 4½c a bushel for the September option in Chicago. Interstate Commerce Commission grants a rehearing of the freight rate case.

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and sets hearing for Oct. 19. Bank statement shows an increase in the deficit of \$3,319,100.

War Tax Bill

The war tax bill was completed by the House Ways and Means Committee on Saturday and will be introduced by Chairman Underwood on Tuesday. Mr. Underwood says that he expects the House to act upon it and send it to the Senate on Thursday.

Gold Pool

The Federal Reserve Board on Saturday approved the plan submitted by a committee representing the national banks of the country to raise a fund of \$100,000,000 in gold, to be deposited in the Ottawa branch of the Bank of England for the purpose of affording a basis in the transfer of credits to facilitate foreign exchange during the war. The fund is to be contributed by various reserve banks, who will share pro rata in the profits of the pool.

Freight Rate Case to be Reopened

The Interstate Commerce Commission announced on Saturday that it permits the reopening of the freight rate case. A hearing will be held on Oct. 19.

Clayton Anti-Trust Bill

The Conference Committee of the House and Senate have agreed on all important features of the bill. Several minor points remain to be settled, but it is expected that agreement will be reached on these today, as the conferees have agreed to submit their report tomorrow.

National Bank Call

The Controller last Monday issued a call on all national banks for a statement of their condition on Sept. 12.

Federal Reserve System

Mr. Warburg stated last week that the Federal reserve system would probably be put in operation between Oct. 15 and 20. After a conference with members of the Reserve Board the Senate Banking Committee agreed on two amendments to the banking law, and these were incorporated in a bill introduced by Senator Hitchcock.

War Risk Rates

The Bureau of War Risks last Friday completed its schedule of rates for underwriting risks on vessels and cargoes during the European war.

Colorado Mine Strike

The Colorado mine workers on strike officially notified President Wilson last week that they would accept the three years' truce proposed by him, and stated that the strike would be called off as soon as the operators accept the plan. On Thursday the operators announced the acceptance of certain features of the plan, and asked for a conference with President Wilson to discuss other features which they were not prepared to accept.

RAILROADS

Weekly Gross Earnings

Following are the latest weekly gross earnings of some important railroads, with changes from corresponding week of last year:

	Amount.	Change.
Second week in September:		
Buffalo, Rochester & Pittsburgh.....	\$218,731	— \$40,104
Canadian Pacific.....	2,496,000	+ 34,000
Missouri Pacific.....	1,133,000	— 87,000
First week in September:		
Alabama Great Southern.....	82,356	— 2,288
Chicago & Alton.....	407,197	— 74,931
Chicago Great Western.....	275,165	— 15,784
Cin., New Orleans & Texas Pac.....	177,392	— 9,142
Georgia Southern & Florida.....	45,353	— 4,810
Grand Trunk.....	1,088,113	— 11,146
Louisville & Nashville.....	1,070,110	— 117,775
Missouri, Kansas & Texas.....	573,700	— 47,318
Mobile & Chlo.....	216,308	+ 1,061
Rio Grande Southern.....	10,806	— 1,388
Seaboard Air Line.....	407,080	— 77,844
Southern Railway.....	1,267,200	— 81,065
Toledo, Peoria & Western.....	19,578	— 3,986
Toledo, St. Louis & Western.....	81,662	— 6,003

National Railways of Mexico

It was announced on Tuesday that the Mexican Constitutional Government had seized the property of the company and was operating the road.

New York, New Haven & Hartford

The company, in conjunction with the New England Navigation Company last Thursday filed in the Federal District Court at New York joint answer to the Government's dissolution suit. This suit is to be settled in accordance with agreement reached by the New Haven's Directors and Attorney General McReynolds, and the filing of the answer was therefore largely a formality.

Reading System

Combined income account of the Reading Company, Philadelphia & Reading Railway and Philadelphia & Reading Coal & Iron Company compares as follows:

	1914.	1913.	1912.
Total op. revenue.....	\$90,007,942	\$102,822,823	\$89,044,431
Operating expenses.....	63,750,973	67,848,345	63,240,301
Net operating revenue.....	26,256,969	34,974,478	26,404,130
Chgs., tax., add. bet., &c.....	17,214,018	19,874,002	18,321,912
Surplus.....	9,042,951	15,099,476	8,082,218
Sinking fund.....	\$409,320	562,193	508,413
Balance.....	8,543,631	14,537,283	7,573,805
Pf. div. Reading Co.....	2,800,000	2,800,000	2,800,000
Balance.....	5,743,631	11,737,283	4,773,805
Com. div. Reading Co.....	5,000,000	4,000,000	4,200,000
Surplus.....	143,631	6,897,283	573,805

*Sinking fund of general mortgage bonds of the Reading Company.

Rock Island

Application of A. Bell Malcomsen, representing certain holders of Rock Island 4 per cent. collateral trust gold bonds, for the right to intervene in the foreclosure action brought by the Central Trust Company was denied by Judge Mayer in the Federal District Court at New York last week. The court directed, however, that the Trust Company must show cause why the proposed foreclosure should be carried out.

INDUSTRIALS, MISCELLANEOUS

American Mailing Company

The company is sending a letter to stockholders, requesting their approval to a plan to extend to June 1, 1917, the \$2,400,000 first mortgage bonds due Dec. 1 next.

Distillers' Securities Corporation

The corporation has issued its annual report for the year ended June 30, 1914. The income account compares as follows:

	1914.	1913.	1912.	1911.
Gross profit.....	\$3,032,200	\$3,046,165	\$2,641,780	\$3,043,279
Int. on loans, taxes, &c.....	1,113,851	1,275,681	704,246	680,398
Balance.....	1,918,357	1,770,484	1,937,534	2,362,914
Add. imp., &c.....	423,591	617,821	617,306	612,495
Net earnings.....	1,494,766	1,152,663	1,320,228	1,750,419
Bond int.....	792,902	793,066	793,046	792,703
Net profit.....	701,864	359,597	527,182	957,716
Dividends.....	353,109	187,775	187,775	187,775
Surplus.....	701,864	6,318	160,503	249,728

General Motors Company

Income account for the year ended July 31 last compares as follows:

	1914.	1913.	1912.
Net profit sub. companies.....	\$7,947,412	\$8,284,140	\$4,838,449
General Motors' share.....	7,819,908	8,184,053	4,746,757
Interest on notes.....	370,235	724,581	830,463
Surplus.....	7,249,734	7,459,471	3,886,203
Preferred dividend.....	1,048,670	1,048,534	1,040,211
Surplus.....	\$6,201,063	6,410,937	2,846,092

*Equal to 37.57 per cent. on \$16,501,783 common stock, as compared with 38.90 per cent. on \$16,476,783 previous year. †After deducting manufacturing, selling, and administration expenses and maintenance and depreciation.

International Harvester Corporation

Directors last week deferred the common dividend. A statement given out by them said that in view of existing conditions in Europe it was felt that it would be unwise to declare the common dividend at this time. Three months ago a dividend of 1-1-4 per cent was declared on the issue. The International Harvester Company of New Jersey declared its regular quarterly dividend of 1-1-4 per cent. on the common stock.

International Steam Pump Company

Judge Mayer, in the Federal District Court at New York last Friday, granted permission to the receivers to issue receivers' certificates to the amount of \$500,000 for the purpose of carrying on the business.

Lozier Motor Company

Creditors on Friday filed a petition in the United States District Court at Detroit for a receivership for the company. Hearing has been set for next Wednesday.

Republic Iron and Steel Company

Owing to business conditions brought about by the European war, Directors of the company have decided to defer action on the quarterly dividend usually declared at this time.

Dividends Declared and Awaiting Payment

The following companies announced dividends during the last week:

Company.	Rate.	Pay- able.	Books Close.
STEAM RAILROADS.			
Ash. C. & I. R. 1	Q	Sep. 25	
Beech Creek.....	Q	Oct. 1	*Sep. 22
B. R. B. & L. 1 1/2	Q	Oct. 1	*Sep. 15
Grand Trunk.....	Q	Oct. 31	
G. Northern pf. 1 1/2	Q	Nov. 2	*Oct. 15
Lehigh Valley.....	Q	Oct. 1	*Sep. 26
M. & P. 1	Q	Oct. 1	*Sep. 16
Maine Central.....	Q	Oct. 1	*Sep. 16
Meadow, Conne.	Q	Oct. 1	*Sep. 15
and L. & L. 2	Q	Oct. 1	*Sep. 15
N. R. R. of N. H. 1 1/2	Q	Oct. 1	*Sep. 15
Nor. & Wor. pf. 2	Q	Oct. 1	*Sep. 16
Phil. & Trent.....	Q	Oct. 10	*Sep. 30

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Company.	Rate.	Pay- able.	Books Close.
Reading.....	Q	Nov. 12	*Oct. 27
Reading 2d pf. 1	Q	Oct. 8	*Sep. 22
United N. J. R.	Q	Oct. 10	*Sep. 19
West J. & S. 1 1/2	Q	Oct. 1	*Sep. 15
STREET RAILWAYS.			
B. Ry. & E. pf. 1 1/2	Q	Oct. 1	*Sep. 21
Brazilian Tr. L.	Q	Oct. 1	*Sep. 24
& P. pf. 1 1/2	Q	Oct. 1	*Sep. 14
Capital Trac. 1 1/2	Q	Oct. 1	*Sep. 14
Cin. & Ham. Tr. 1	Q	Oct. 1	*Sep. 14
Do pf. 1 1/2	Q	Oct. 1	*Sep. 15
Cleveland Ry. 1 1/2	Q	Oct. 1	*Sep. 15
Columbus R. P.	Q	Oct. 1	*Sep. 15
& L. pf. A. 1 1/2	Q	Oct. 1	*Sep. 15
Germantown P.	Q	Oct. 1	*Sep. 15
Ry., Phila. 1 1/2	Q	Oct. 1	*Sep. 15
Houghton Co.	Q	Oct. 1	*Sep. 15
Trac. pf. 1 1/2	Q	Oct. 1	*Sep. 19
Ill. Traction pf. 1 1/2	Q	Oct. 1	*Sep. 15
N. O. R. & L. pf. 1 1/2	Q	Oct. 1	*Sep. 19
N. Y. State Ry. 1	Q	Oct. 1	*Sep. 22
Do pf. 1 1/2	Q	Oct. 1	*Sep. 22
O. & C. B. com.	Q	Oct. 1	*Sep. 19
& pf. 1 1/2	Q	Oct. 1	*Sep. 19
Phila. Traction.....	Q	Oct. 1	*Sep. 12
Pub. S. of N. J. 1 1/2	Q	Oct. 1	*Sep. 25
Rep. E. & L. pf. 1 1/2	Q	Oct. 1	*Sep. 30
Stark Electric.....	Q	Oct. 1	*Sep. 15
Toronto Ry. 1 1/2	Q	Oct. 1	*Sep. 15
Washington W.	Q	Oct. 1	*Sep. 12
P. Spokane.....	Q	Oct. 1	*Sep. 23
W. India Elec. 1 1/2	Q	Oct. 1	*Sep. 23

Company.	Rate.	Pay- able.	Books Close.
BANK STOCKS.			
Chat. & P. Nat. 2	Q	Oct. 1	*Sep. 22
Ch. Cent. Nat. 2	Q	Oct. 1	*Sep. 24
Hanover Nat. 2 1/2	Q	Oct. 1	*Sep. 19
Metropolitan.....	Q	Oct. 1	*Sep. 19

Company.	Rate.	Pay- able.	Books Close.
TRUST COMPANIES.			
Bankers.....	Q	Oct. 1	*Sep. 18
Brooklyn.....	Q	Oct. 1	*Sep. 18
Columbia.....	Q	Sep. 30	*Sep. 23
Empire.....	Q	Sep. 30	*Sep. 19
Equitable.....	Q	Sep. 30	*Sep. 21
Metropolitan.....	Q	Sep. 30	*Sep. 18
New York.....	Q	Sep. 30	*Sep. 19
Title G. & T. 1 1/2	Q	Sep. 30	*Sep. 22

Company.	Rate.	Pay- able.	Books Close.
INDUSTRIAL AND MISCELLANEOUS			
Am. Chicle.....	M	Sep. 19	*Sep. 14
Am. Chicle.....	Ex.	Sep. 19	*Sep. 14

Company.	Rate.	Pay- able.	Books Close.
Am. Express.....	Q	Oct. 1	*Sep. 19
Am. Gas & El. 2	Q	Oct. 1	*Sep. 21
Am. Gas & El. 1 1/2	Q	Nov. 2	*Oct. 21
Am. P. & L. pf. 1 1/2	Q	Oct. 1	*Sep. 24
Am. Pub. S. pf. 1 1/2	Q	Oct. 1	*Sep. 25
Am. T. & P. 2	Q	Oct. 1	*Sep. 30
Am. Type Fdr. 1	Q	Oct. 15	*Oct. 10
Do pf. 1 1/2	Q	Oct. 15	*Oct. 10
Am. W. G. pf. 1	Q	Sep. 20	*Sep. 22
Cin. & Sub. Bel.	Q	Oct. 1	*Sep. 22
Telephone.....	Q	Oct. 1	*Sep. 22
Cleveland Stone.....	Q	Oct. 1	*Sep. 21
C. P. (Mich.) pf. 1 1/2	Q	Oct. 1	*Sep. 18
Dom. Textile pf. 1 1/2	Q	Oct. 15	*Sep. 30
Elec. Securities.....	Q	Oct. 1	*Sep. 28
Do pf. 1 1/2	Q	Nov. 1	*Oct. 26
Elec. Stor. Bat.	Q	Oct. 1	*Sep. 21
com. & pf. 1 1/2	Q	Oct. 1	*Sep. 19
Gen. Baking pf. 1	Q	Oct. 1	*Sep. 19
Gen. Chem. of	Q	Oct. 1	*Sep. 19
Cal. Ist pf. 1 1/2	Q	Oct. 1	*Sep. 19
Gen. Motors pf. 3/4	S	Nov. 1	*Oct. 15
Hale & Kilburn	Q	Sep. 30	*Sep. 19
Ist & 2d pf. 1 1/2	Q	Sep. 30	*Sep. 19
Houghton Co.	Q	Sep. 30	*Sep. 19
E. L. 1 1/2	Q	Nov. 2	*Oct. 16
Do pf. 1 1/2	Q	Nov. 2	*Oct. 16
I. Har. of N. J. 1 1/2	Q	Oct. 15	*Sep. 28
Int. Nickel.....	Q	Dec. 1	*Nov. 14
Do pf. 1 1/2	Q	Nov. 2	*Oct. 14
Kolb Bak. pf. 1 1/2	Q	Oct. 1	*Sep. 16
La Ross C. M. 2 1/2	Q	Oct. 20	*Sep. 30
Laurentide Co. 2	Q	Oct. 1	*Sep. 23
Lawyers Mfg. 1 1/2	Q	Oct. 1	*Sep. 22
Meat. & Forbes.....	Q	Oct. 15	*Sep. 30
Do pf. 1 1/2	Q	Oct. 15	*Sep. 30
Mass. Lighting.	Q	Oct. 15	*Sep. 25
old com. 1 1/2	Q	Oct. 15	*Sep. 25
Do new com. 2 1/2	Q	Oct. 15	*Sep. 25
Do pf. 1 1/2	Q	Oct. 15	*Sep. 25
Mich. Light pf. 1 1/2	Q	Oct. 1	*Sep. 15
Mt. Bond.....	Q	Oct. 1	*Sep. 23
N. G. E. L. & P. 1	Q	Oct. 1	*Sep. 24
N. E. Power pf. 1 1/2	Q	Oct. 1	*Sep. 24
N. E. T. & T. 1 1/2	Q	Sep. 30	*Sep. 16
N. Y. Mtg. & S. 2	Q	Oct. 1	*Sep. 18
Nip. Mines.....	Q	Oct. 20	*Sep. 30
Old Flour Mills.....	Q	Oct. 1	*Sep. 18
Old Col. Gas pf. 1 1/2	Q	Oct. 1	*Sep. 24
Pr. & Gam. pf. 2	Q	Oct. 15	*Sep. 26
Saf. C. H. & L. 2	Q	Oct. 1	*Sep. 17
Shaw. W. & P. 1 1/2	Q	Oct. 10	*Oct. 1
So. Util. pf. 1 1/2	Q	Oct. 1	*Sep. 19
Taylor-Whar. 1	Q	Oct. 1	*Sep. 19

Company.	Rate.	Pay- able.	Books Close.
& Steel.....	Q	Oct. 1	*Sep. 24
Texas Co. 1 1/2	Q	Sep. 30	*Sep. 24
Tab. Prod. pf. 1 1/2	Q	Oct. 1	*Sep. 21
United Util. pf. 1 1/2	Q	Oct. 1	*Sep. 19
Vacuum Oil.....	Q	Oct. 31	*Oct. 15
West. Coal.....	Q	Oct. 1	*Sep. 15
Willam-O'V 1 pf. 1 1/2	Q	Oct. 1	*Sep. 22

*Holders of record; books do not close.

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High Grade First Mortgages
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Stocks and Bonds bought on a cash basis, also
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LETTERS OF CREDIT

Crops

World's Cotton Output in 1913 a High Record

Returns of Bureau of Census Show That Every Country but Egypt Made a Gain in Production Over 1912

THE world's production of cotton in 1913 was the greatest on record. As measured by the factory supply, exclusive of linters, it was 22,255,000 bales of 500 pounds net, as compared with 20,976,000 bales in 1912, and 21,269,000 bales in 1911. The 1913 production was 37 per cent. greater than that of 1909 and 2,501,000 bales greater than the average production for mill consumption for the five years from 1909 to 1913. Save only for Egypt, where the output fell off 22,000 bales, and for Peru, which was unchanged, the production of every cotton-growing country in the world was larger than in the preceding year. In the United States the gain was 432,000 bales, and in India, which had the largest increase, 473,000 bales. The following table, compiled by the Bureau of Census, shows the world's production of commercial cotton by countries for the past five years in thousands of bales, each of 500 pounds net:

	1913.	1912.	1911.	1910.	1909.
United States	13,545	13,113	15,013	11,104	9,566
India	3,801	3,328	2,270	2,722	3,414
Egypt	1,470	1,492	1,463	1,506	1,000
China	1,200	1,074	625	775	600
Russia	1,004	917	939	981	785
Brazil	420	315	275	280	225
Mexico	150	140	130	147	125
Peru	110	110	100	95	107
Persia	140	137	120	117	116
Turkey	130	115	124	105	108
All other countries	285	235	210	195	195

Total 22,255 20,976 21,269 18,027 16,241

In addition to the amounts shown in the table, large quantities of cotton are produced in some countries and consumed in the homes of the people, without entering commercial channels. This is especially the case in China, and to a smaller extent in other eastern countries. The amount so consumed, cannot, however, be accurately estimated. The relative importance of the several cotton-producing countries is shown graphically in the accompanying diagram, reproduced from the Census Bureau report.

While the United States has made more rapid progress than any other country in

the production of cotton, India, too, has made a remarkably good showing in the last few years. In 1913 she had 24,595,000 acres under cultivation, an increase since 1909 of 4,050,000 acres. The average yield per acre is however, very small in comparison with that of other countries, and little or no progress seems to have been made toward increasing it. It varies greatly, last year being 85 pounds per acre, comparing with 92 pounds in 1909, the highest yield on record, and but 58 in 1908, the low-

Division of Cotton Output



Proportion of the world's production of commercial cotton contributed by each country last year.

est. In some sections the yield is incredibly small, but in others, where irrigation is used to some extent, a better showing is made. In Egypt, quite the reverse is the case. The yield per acre there, while varying a great deal, is nevertheless very large, and has in some years been considerably above 550 pounds. In 1913 it was 411 pounds per acre. Egypt depends entirely upon an unusually efficient irrigation system.

China and Russia have substantially increased their production in the last few years. In the former country, suppression of the trade in opium has exerted a favorable influence on cotton production.

The Chicago Grain Markets

Quotations on the Chicago market last week were as follows:

CHICAGO

WHEAT

	Sept.	Low.	High.	Dec.	Low.	High.	May.	Low.
Sept. 14	1.06	1.02	1.10	1.04	1.18	1.11		
Sept. 15	1.04	1.00	1.07	1.03	1.15	1.10		
Sept. 16	1.06	1.08	1.12	1.09	1.19	1.15		
Sept. 17	1.08	1.07	1.11	1.09	1.19	1.16		
Sept. 18			1.12	1.09	1.19	1.16		
Sept. 19	1.11	1.11	1.14	1.13	1.21	1.20		
Week's range	1.11	1.00	1.14	1.03	1.21	1.10		

CORN

	Sept.	Low.	High.	Dec.	Low.	High.	May.	Low.
Sept. 14	.77	.75	.72	.70	.75	.72		
Sept. 15	.76	.75	.72	.70	.74	.72		
Sept. 16	.78	.76	.72	.71	.75	.74		
Sept. 17	.77	.76	.72	.70	.75	.72		
Sept. 18	.78	.76	.71	.70	.75	.72		
Sept. 19	.79	.78	.79	.72	.75	.74		
Week's range	.79	.75	.79	.70	.75	.72		

OATS

	Sept.	Low.	High.	Dec.	Low.	High.	May.	Low.
Sept. 14	.47	.44	.50	.46	.53	.49		
Sept. 15	.46	.43	.48	.45	.51	.48		
Sept. 16	.47	.46	.50	.49	.52	.52		
Sept. 17	.47	.46	.50	.49	.53	.52		
Sept. 18	.47	.46	.50	.48	.53	.51		
Sept. 19	.48	.47	.51	.50	.54	.52		
Week's range	.48	.43	.51	.45	.54	.48		

Price Current's Estimate

Based on conditions reported Sept. 9 to 11, there would seem to be an increase of approximately 10 per cent. in the acreage of Winter wheat throughout the surplus States.

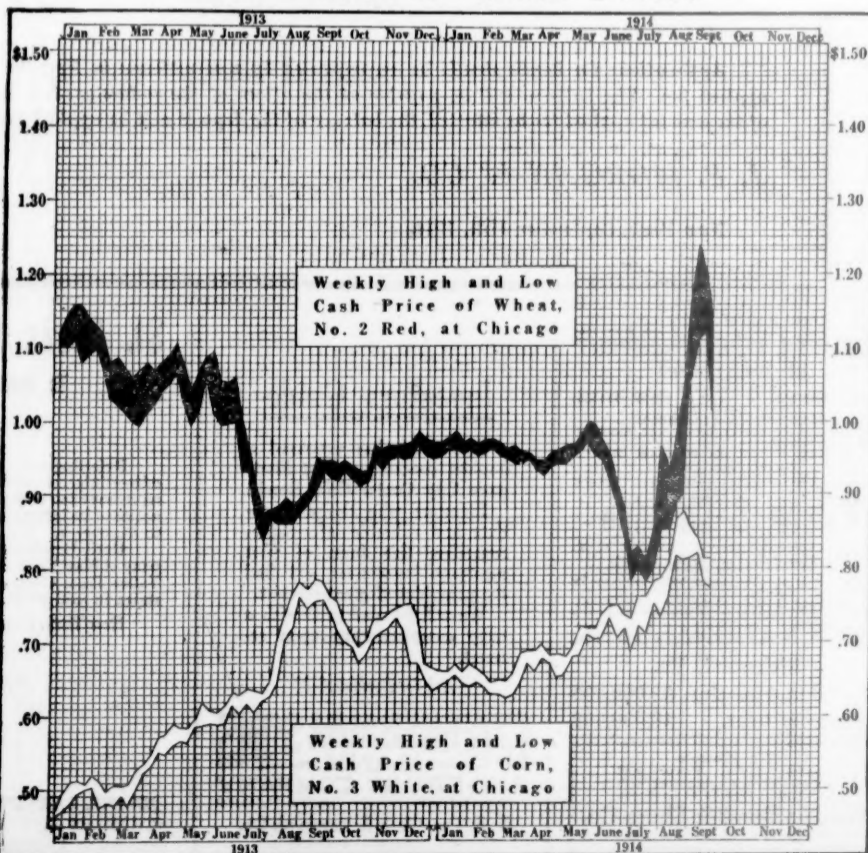
Reports on corn yields indicate an amazing increase as compared with Aug. 25. Evidently our correspondents have indulged in an optimistic view since general rains have occurred. The reports indicate a total corn crop for this year of approximately 2,800,000,000. Detailed reports for surplus corn producing States show as follows compared with Government, final:

	Estimate Sept. 11, 1914.	Government Final 1913.
Ohio	152,251,000	146,250,000
Indiana	160,459,000	176,400,000
Illinois	340,381,000	282,150,000
Missouri	216,117,000	129,060,000
Iowa	377,126,000	338,500,000
Nebraska	200,179,000	114,150,000
Kansas	152,631,000	23,424,000
Oklahoma	107,302,000	52,250,000

Total 1,694,848,000 1,261,984,000

Slaughtering of hogs in the West for the week ended Sept. 12 were 248,000, against 381,000 for the preceding week and 424,000 for the corresponding period one year ago.

The Trend of Grain Prices



SENSIBLE ACTUAL

IMMACULATE TRAVELERS

On Smokeless, Cinderless Trains

BEST SUMMER ROUTE TO CALIFORNIA

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\$57,000,000 6% Corporate Stock Notes due September 1, 1915
\$18,000,000 6% Revenue Bonds due September 1, 1916
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Price 100 and Accrued Interest

These three issues are direct obligations of the City of New York
Exempt from the Federal Income Tax
Exempt from all taxation in New York State except for State purposes
(Temporary receipts of the City will be deliverable before Tax Day, October 1)

Interest at six per cent. per annum, payable semi-annually on
March 1st and September 1st

Principal and interest payable in gold coin of the United States of America of the
present standard of weight and fineness at the office of the
Comptroller of the City of New York

Coupon form in denominations of \$500, \$1,000, \$5,000 and \$10,000
Registered form in denominations of \$500 and multiples thereof as desired
Coupon and registered forms interchangeable

We are advised that these bonds and notes are available for the following purposes:

1. *As part collateral for circulation, under the Aldrich-Vreeland Act of May 30, 1908.*
2. *As security under the Workmen's Compensation Law of New York State.*
3. *As an investment for Savings Banks and Trustees in New York State and elsewhere.*

A syndicate of banks and trust companies of New York City has purchased these bonds from the City at par and accrued interest. A large part of the bonds having been withdrawn from sale by the subscribing banks and trust companies, we offer the remainder, on their behalf, for public subscription at the cost price

Subscription books will be closed at 12 o'clock noon, Tuesday, September 22nd, 1914, or earlier, in our discretion, without notice. The right is reserved to reject any and all applications and also, in any case, to award a smaller amount than applied for.

Applications for bonds should be accompanied by a remittance in New York funds of \$50 for each \$1,000 bond applied for. The balance will be payable at the offices of the undersigned, Monday, September 28th. If only a portion of the amount applied for be allotted, the balance of the deposit will be applied toward the amount remaining to be paid.

J. P. MORGAN & CO.**KUHN, LOEB & CO.***New York, September 17th, 1914.*

EDWIN WARFIELD, President.
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Investors Guide

This Bank has prepared a booklet concerning **First Mortgage City Center Gold Bonds**. Investors who desire up-to-date and valuable information regarding this form of first mortgage investment will find the pamphlet of great interest. We will be glad to furnish a copy complimentary upon request.

Ask for Booklet A-21

GREENEBAUM SONS
BANK
AND TRUST COMPANY
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 N. E. Cor. Clark & Randolph Sts.
 Oldest Banking House in
 Chicago—A State Bank

St. Louis & San Francisco Railroad Co.

To Holders of 4% Refunding Mortgage Gold Bonds
Due July 1, 1915:

Referring to its notice of August 24, 1914, and to previous notices, the Committee informs holders of bonds still undeposited that it does not undertake to represent such undeposited bonds, and that it considers itself free, without further notice of its intention so to do, to refuse to permit deposits to be made subsequent to October 1, 1914.

Until October 1, 1914, bonds may be deposited with Central Trust Company of New York at its office, 54 Wall Street, New York City, or with Mississippi Valley Trust Company, St. Louis, or in Berlin or in Amsterdam with the depositaries in said cities.

New York, September 21, 1914.

FREDERICK STRAUSS, Chairman,
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ALEXANDER J. HEMPHILL,
EDWIN G. MERRILL,
HARRY BRONNER,
CHARLES W. COX,
BRECKINRIDGE JONES,

Committee.

JOLINE, LARKIN & RATHBONE, Counsel.
CHARLES E. SIGLER, Secretary,
 54 Wall Street, New York City.